

ATTACHMENTS

**Under Separate Cover
Council Meeting**

6.00pm Tuesday 23 June 2020

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Draft Budget 2020-21

Version 8

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This Budget has been prepared with reference to Chartered Accountants Australia and New Zealand "Victorian City Council Model Budget 2020-21" a best practice guide for reporting local government budgets in Victoria.

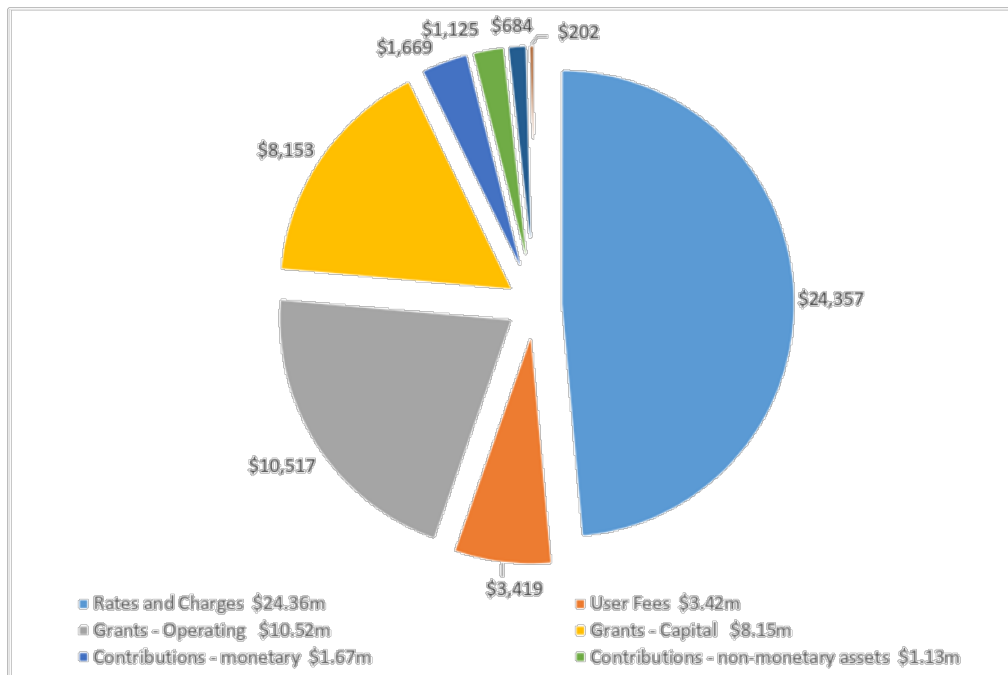
DRAFT BUDGET 2020-21

GOLDEN PLAINS SHIRE COUNCIL

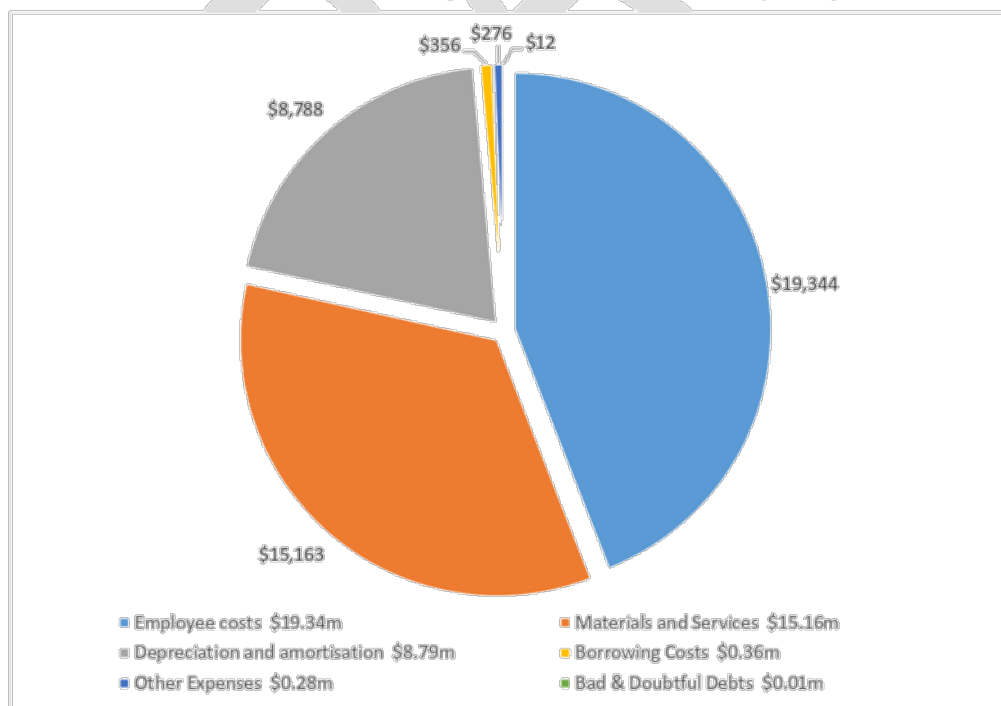
Council's 2020-21 Budget at a Glance

(Per Comprehensive Income Statement)

How Council's \$50.1m revenue is Generated (\$'000)



Where Council will Spend the Money \$43.9m (\$'000)



1 OVERVIEW

1.1 MAYOR'S INTRODUCTION

Dear Residents

I am pleased to present Council's 2020-21 Budget to you. This Budget seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, within the 2.0% maximum rate increase as set by the Minister for Local Government.

I believe this Budget answers many of the questions, priorities and concerns raised by the community over the last few years. The Budget has been prepared based on the adopted principles within the 2017-2021 Council Plan and Strategic Resource Plan, which can be found on our website.

- Continued capital investment in infrastructure assets.
- Waste management charges are based on achieving full cost recovery to ensure this service is sustainable for the long term. There is an increase of \$5 in the 2020-21 annual charge being the increase in landfill levy prescribed by the State Government effective from 1 January 2021.
- Existing fees and charges are increased in line with CPI or market levels.
- Service levels to be maintained at 2018-19 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- A projected surplus of \$6.1m, however, it should be noted that the adjusted underlying result is a deficit of \$1.8m after removing non-recurrent capital grants and capital contributions.

COVID-19

Golden Plains Shire Council has confirmed a package of financial relief options for local residents and businesses to support the Golden Plains community in response to the COVID-19 pandemic.

With State and Federal Governments taking the lead on major financial measures including the new Jobkeeper and increased Jobseeker programs to keep regular income coming into households, Council has reviewed a variety of measures to alleviate the pressure of upcoming payments while still maintaining its delivery of important community services and its responsibilities as a significant local employer.

Golden Plains Shire Council will deliver the following COVID-19 related relief measures:

Ratepayers and residents experiencing financial hardship

- Introduction of special COVID-19 Financial Hardship Policy for local businesses and Golden Plains Shire Council ratepayers
- Suspension of all current debt recovery action for unpaid 2019-20 rates through to 30 September 2020
- Waive interest on overdue 2019-20 rates and penalties for late payment for animal registration fees up to 30 September 2020
- New payment plans for animal registration fees

Business support

- Commitment to pay invoices from all local businesses within 14 days to support cash flow
- Applications for septic, building and planning permits that expire before 30 September 2020 will be considered and, if approved, extended for 12 months at no cost
- Refund of all permit fees for events and activities that have been cancelled or closed as directed by Government
- New allowance for commercial businesses to reduce their waste collection arrangements if necessary
- Free mentoring support for small businesses experiencing hardship
- Free promotion of local businesses on Council's website and social media with Be Kind to Business campaign: goldenplains.vic.gov.au/business/be-kind-business
- Dedicated COVID-19 business support page on Council's website with links to Federal and State Government programs: goldenplains.vic.gov.au/business/covid-19-business-support
- Access to dedicated business support officer within Council for local businesses to receive individual assistance

Capital works

- Council will continue budgeted capital works as scheduled to maximize local business and employment opportunities

Highlights

- \$43.9m spent on the delivery of services to the Golden Plains community.
- \$15.0m investment in capital assets, including infrastructure, buildings, recreation, leisure and community facilities and plant machinery and equipment.
- Rating Strategy review completed resulting in simplifying rating differentials with the desired outcome of greater rate equity between different rating categories across the Shire with key changes including removing growth differentials, establishing separate farm differentials for broadacre, intensive and small farms.

Staying sustainable

We are committed to your future; by focusing on the Strategic Objectives created in partnership with the community in the Council Plan. Council will continue to review the services it delivers to ensure they are sustainable into the future.

Cr Owen Sharkey

Mayor – Golden Plains Shire Council

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1.2 EXECUTIVE SUMMARY

Introduction

The 2020-21 Budget has been prepared based on the adopted principles within the 2017-2021 Council Plan and Strategic Resource Plan. The Budget seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the 2.0% rate increase mandated by the State Government.

The Budget projects a surplus of \$6.1m for 2020-21, however, it should be noted that the adjusted underlying result is a deficit of \$1.8m after removing capital grants and capital contributions.

Within the principles of the Council Plan, there have been some areas of increased focus for Council in the 2020-21 financial year. These include dedicated expenditure on infrastructure maintenance and renewal to ensure adequate service levels are maintained. Council has also ensured that all new initiatives have been evaluated against Council priorities and any savings identified have been re-directed into these priority areas.

COVID-19

The Novel coronavirus (COVID-19) is a current health issue declared a pandemic by The World Health Organisation and is impacting on every aspect of everyday lives and businesses.

Due to the recent timing and rapid speed in which COVID-19 is changing our environment, the draft 2020-21 budget excludes any changes associated with COVID-19 however has included a number of relief options to customers experiencing financial difficulties due to impacts from COVID-19.

Key things Council are funding

- Ongoing delivery of services to the Golden Plains community funded by a budget of \$43.9M. These services are summarised in Section 3 of the Budget.
- Continued investment in capital assets of \$15.0m. This consists of:
 - infrastructure totalling \$13.1m (including roads, bridges, footpaths and cycleways(\$10.3m), recreation, leisure and community facilities (\$2.0m), parks, open space and streetscapes (\$450k);
 - buildings of \$723k; and
 - Plant, machinery and equipment of \$1.1m (including computers and telecommunications (\$306k)).

The Statement of Capital Works can be found in Section 2 and further details on the capital works budget can be found in Section 4.5 of the Budget.

Strategic Objective 1: Promoting Healthy and Connected Communities

- Maintaining six multi-use community centres across the Shire to provide spaces for communities to connect.
- Delivery of the Supported Playgroup program which is funded by the State Government.
- Promotion of communication channels with a dedicated focus on customer service.

Strategic Objective 2: Enhancing Local Economies

- Ongoing focus on investment attraction, business support, tourism development, lobbying and advocacy and partnership.
- Support local producers, business and tourism by conducting a monthly Farmer's Market and annual Twilight Market.

Strategic Objective 3: Maintaining Natural and Built Environments

- Dedicated expenditure allocated to assist in the maintenance of sealed and gravel roads, bridges, trees, drainage and footpaths.
- Increased focus on Asset Management systems and processes to assist in planning and resource allocation.

Strategic Objective 4: Delivering Good Governance and Leadership

- Additional resources have been allocated to further improve Council's practices to ensure ongoing legislative compliance in the areas of Health and Safety and Child Safe Standards.
- Increased focus on Council's transparency and communication to ensure residents are kept informed.

1.3 BUDGET PREPARATION

This section lists the Budget processes to be undertaken in order to adopt the Budget in accordance with the Act and Regulations.

Officers begin preparing the operating and capital components of the Annual Budget during the period December to February. These budgets are prepared based on the actions included in the Council Plan, which is developed and reviewed after undertaking detailed community engagement activities.

A summary of the Draft Budget is then prepared and delivered to Councillors in March. A workshop between officers and Council is then conducted to make any alterations to the Draft Budget. A 'proposed' Budget is prepared in accordance with the Act and submitted to Council in late April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the Budget. It must give 28 days' notice of its intention to adopt the proposed Budget and make the Budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the Budget and any submission must be considered before adoption of the Budget by Council.

The final step is for Council to adopt the Budget after receiving and considering any submissions from interested parties. The Budget is required to be adopted and a copy submitted to the Minister by 30 June. The key dates for the budget process are summarised below:

Budget Process	Timing
1. Community Engagement Activities	Ongoing
2. Analysis and consideration of Community Engagement activities	Dec - Jan
3. Officers prepare operating and capital budgets	Dec – Feb
4. Council receives Summary of Draft Budget for review	March
5. Council workshop/s conducted to review Draft Budget	March/April
6. Draft Budget submitted to Council for 'in principle' approval	April
7. Public notice advising intention to adopt Budget	April
8. Proposed Budget available for public inspection and comment	April
9. Submissions period closes (28 days)	May
10. Submissions considered by Council	June
11. Budget and submissions presented to Council for adoption	June
12. Copy of adopted Budget submitted to the Minister	June

1.4 LINKAGE TO THE COUNCIL PLAN

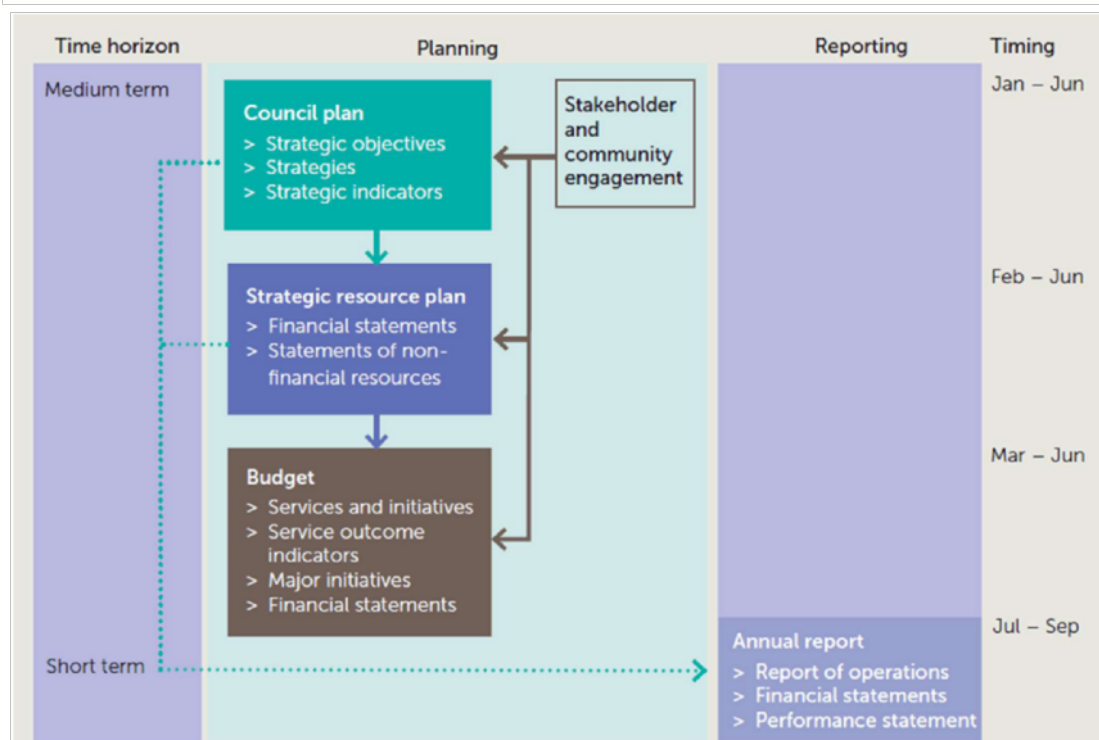
This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

Legislative Planning and accountability framework

The Strategic Resource Plan, is part of and prepared in conjunction with the Council Plan, is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, considering the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The following diagram depicts the planning and accountability framework that applies to local government in Victoria.

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GOLDEN PLAINS SHIRE COUNCIL



Source: Department of Environment, Land, Water and Planning

Feeding in to the above, Council has a long term plan which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes.

1.5 BUDGET INFLUENCES AND PRINCIPLES

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

Shire Profile

Golden Plains Shire is a rural municipality situated between two of Victoria's largest regional cities, Geelong and Ballarat, with a population of over 23,120 (2018) people across 56 vibrant rural communities.

Renowned for its award-winning food and wine, iconic music festivals, goldfield heritage and friendly communities, Golden Plains Shire is an attractive destination both to visit and call home.

New residents, particularly young families, are attracted to the area's rural lifestyle, affordable housing and proximity to the services and jobs available in the Shire, as well as those in Melbourne, Geelong, Ballarat and the Surf Coast. Residents value the character of Golden Plains' small townships and communities, local facilities and services, and natural environment. As one of the fastest growing regions in Victoria, boasting rich biodiversity and a broad range of flora and fauna, Golden Plains Shire has much to offer.

Golden Plains also offers many opportunities for businesses, investment, sustainable development and employment, with more than 1,700 businesses in farming, retail and home-based businesses. In agriculture, the region has a strong tradition in wool and grain production and is a leading producer of prime lambs. Intensive animal farming continues to increase and strengthen, with the production of goat, dairy, beef, chicken and pork strong in Golden Plains, and marked growth in viticulture. Many of the producers and businesses of Golden Plains sell their produce at the monthly Council-run Golden Plains Farmers' Market, attracting visitors to the Shire from far and wide.

Key Planning consideration

Service level planning

Although councils have a legal obligation to provide some services such as animal management, local roads, food safety and statutory planning, most council services are not legally mandated, including some services closely associated with councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change. Therefore councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

Golden Plains Shire is also one of the leading egg producers in Victoria, and is attracting new investment in free-range egg production in the Golden Plains Food Production Precinct—this is an area of land in the southern part of the Shire set to become one of Victoria's premier areas for intensive agriculture.

Golden Plains Shire Council is renowned for engaging with its communities to build community spirit, plan for growth and future facilities and services. Residents continue to support their communities, with high levels of participation in community clubs, activities and volunteering.

Looking to the future, Golden Plains Shire residents have shared their vision and priorities for the next 10-20 years. They identified the need to plan and manage the competing interests of a growing population whilst maintaining the Shire's highly valued rural character, meet community service and infrastructure needs and maintain and improve the Shire's extensive road network.

Golden Plains offers relaxed country living, with the services and attractions of Melbourne, Geelong and Ballarat just a stone's throw away. With an abundance of events, attractions and activities, as well as many great local businesses and breathtaking views, Golden Plains is a great place to live, invest, taste, see and explore.

Our purpose

Our Vision

A healthy, safe, vibrant, prosperous and sustainable community supported by strong leadership, transparent governance and community partnerships - Our Community, Our Economy, and Our Pride.

Our Mission

We will achieve our vision through:

- Demonstrating good governance and involving the community in decision making
- working and advocating in partnership with our community to address social, economic and environmental challenges
- Promoting gender equality and equity and inclusion for all
- sustaining a focus on long term outcomes and delivering increased public value through good decision-making and wise spending
- building awareness and strategic alliances with government, regional groups and community.

Our Values

Honesty and Integrity

We will act ethically and honestly and work to continue to build the trust and confidence of the community

Leadership

We will demonstrate strong and collaborative community leadership

Accountability

We will act in an open and transparent manner and be accountable to our community for our processes, decisions and actions

Adaptability

We will implement progressive and creative responses to emerging issues and will continue to work to build organisational and community resilience

Fairness

We will base our decision making on research, information and understanding of the needs and aspirations of the whole community and promote equitable access to the Shire's services and public places.

Strategic Objective

Strategic Objective	Description
01 - Promoting Healthy and Connected Communities	<ul style="list-style-type: none"> • Operating and maintaining six multi-use community centres across the Shire to provide spaces for communities to connect. • Delivery of the Supported Playgroup program which is funded by the State Government.
02 - Enhancing Local Economies	<ul style="list-style-type: none"> • Ongoing focus on investment attraction, business support, tourism development, lobbying and advocacy and partnership. • Promotion and support to the delivery of the Golden Plains Farmers Market.
03 - Maintaining Natural and Built Environments	<ul style="list-style-type: none"> • Dedicated expenditure allocated to assist in the maintenance of sealed and gravel roads, bridges, trees, drainage and footpaths. • Increased focus on Asset Management systems and processes to assist in planning and resource allocation.
04 - Strategic Objective - Delivering Good Governance and Leadership	<ul style="list-style-type: none"> • Dedicated resources have been allocated to further improve Council's practices to ensure ongoing legislative compliance in the areas of Health and Safety and Child Safe Standards. • Increased focus on Council's transparency and communication to ensure residents are kept informed.

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2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS

2.1 STRATEGIC OBJECTIVE

Strategic Objective 1: Promoting Healthy and Connected Communities

To achieve the strategic objective of promoting healthy and connected communities Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service area	Description of services provided		2018-19	2019-20	2020-21
			Actual	Forecast	Budget
			\$'000	\$'000	\$'000
Maternal and Child Health	Provides a comprehensive and focused approach for the promotion, prevention and early identification of the physical, emotional and social factors affecting young children and their families. The service supports child and family health, wellbeing and safety, focusing on maternal health and father inclusive practice as key enabler to optimise child learning & development	Exp	640	660	667
		Rev	339	344	400
		NET	301	316	267
Children Services	Improve the health and wellbeing of families by increasing access to a range of quality universal and specialist children and family services. Support access through advocacy and promotion of services operated throughout the Shire including Council operated Private and Not-for-profit providing families choice and promoting quality services that meet community needs. Establish networks, develop relationships with service providers and consider gaps in community access to services.	Exp	331	544	526
		Rev	72	7	21
		NET	259	537	505
Active Ageing & Disability Home & Community Care Program for Younger People (HACC PYP)	Provision of individual and group support services including assessment to enhance the health and wellbeing of our community members whose functional limitations affect their ability to manage day-to-day activities and need support to live independently at home and stay connected to the community. Wellness and Reablement are an essential part of our service delivery and promote independence, improved quality of life, and support a 'doing with' approach that delivers positive outcomes for clients, carers and communities. People who are eligible, include frail people under the age of 65, younger people with disabilities not eligible for the NDIS and carers. The 2020-21 budget incorporates realignment of program areas across HACC & CHSP programs and increase in social support group service.	Exp	365	455	579
		Rev	279	285	267
		NET	86	170	312
Active Ageing and Disability - Commonwealth Home Support Program (CHSP)	Provision of individual and group support services including assessment to enhance the health and wellbeing of our community members whose functional limitations affect their ability to manage day-to-day activities and need support to live independently at home and stay connected to the community. Wellness and Reablement are an essential part of our service delivery and promote independence, improved quality of life, and support a 'doing with' approach that delivers positive outcomes for clients, carers and communities. To be eligible for the program, people must be 65 years of age and over. The 2020-21 budget incorporates realignment of program areas across HACC & CHSP programs.	Exp	1,282	1,464	1,683
		Rev	1,049	979	1,037
		NET	233	485	646
Community Transport	The Golden Connections community transport service provides a flexible, responsive transport service for isolated residents to stay connected to services within the shire and beyond. Volunteers provide the transport service and eligibility is based on individual circumstances.	Exp	136	147	123
		Rev	27	7	8
		NET	109	140	115

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Community Centres	Improving the health and wellbeing of Golden Plains Shire residents and facilitating the development of healthy vibrant communities. Providing opportunity to support and access a range of services and programs at Council managed facilities across the Shire.	Exp	950	1,156	1,070
		Rev	130	128	124
		NET	820	1,028	946
Kindergartens	Early Years Management of five funded kindergartens and accompanying early learning facilities located at Bannockburn, Meredith, Inverleigh, Rokewood and Teesdale. Council works closely with Incorporated Volunteer Parent Committees (Advisory Groups) to deliver quality education and care programs. Funded 4 year old sessional Kindergarten is offered from all facilities whilst three year old activity group/pre kindergarten programs operate from four of the locations. Preparation is underway for the introduction of funded 3 year old Kindergarten. Golden Plains Shire comes into scope in 2022.	Exp	1,064	1,002	1,198
		Rev	992	934	1,212
		NET	72	68	(14)
Bannockburn Children Services	Management and operation of the integrated children's service at Bannockburn, incorporating childcare and funded Kindergarten programs. The service caters for children from 6 weeks to school age.	Exp	2,783	2,559	1,932
		Rev	2,623	2,462	1,825
		NET	160	97	107
Family Day Care	Family Day Care Service management of contracted Educators operating throughout the Shire within their own residences or from approved venue facilities. Qualified educators provide education and care to between four and seven children per day and like childcare/ kindergartens are strictly regulated under National Regulation and Law. Some educators also provide before and after school care options for families.	Exp	292	333	412
		Rev	208	263	350
		NET	84	70	62
Community Development	Supporting and strengthening local communities and local leadership through the development of Community Plans and Council's community grants program.	Exp	573	682	995
		Rev	7	47	9
		NET	566	635	986
Health Promotion	Collaboratively working with community, government, health and wellbeing partners and agencies to support, protect and improve the health and wellbeing of residents.	Exp	652	710	630
		Rev	544	573	486
		NET	108	137	144
Libraries	Providing an excellent fixed and mobile library service to residents of Golden Plains Shire through Council's participation in the Geelong Regional Library Corporation.	Exp	455	464	454
		Rev	15	1	1
		NET	470	463	453
Arts and Culture	Facilitating the development of community arts and cultural development projects and creative industries in collaboration with local artists and communities. Arts and culture is central to the quality of life and wellbeing of residents in Golden Plains Shire.	Exp	177	258	179
		Rev	2	5	-
		NET	175	253	179
Youth Development	Working to improve the health and well being of young people living in Golden Plains Shire. Using community engagement and capacity building strategies to inform initiatives which support community mental health, social connection and build civic pride (initiatives designed to reduce 'mental health stigma'). To increase capacity and opportunity for young people to participate, increase skills, knowledge and leadership abilities and provide meaningful pathways into education, training and careers.	Exp	360	438	388
		Rev	70	71	72
		NET	290	367	316
Recreation Planning	Working to develop a range of recreation facilities and services, with the aim to increase active living in our community. By identifying, supporting and applying for grant funding, strategically planning recreation service and facility provision, building capacity and supporting local leadership in facility management and providing participation and engagement opportunities.	Exp	611	642	585
		Rev	17	23	24
		NET	594	619	561
Recreation Construction	Construction of community facilities, including halls, paths and trails, recreation reserves and pavilions, sporting facilities and playgrounds	Exp	237	1,284	277
		Rev	1,814	1,454	1,886
		NET	(1,577)	(170)	(1,609)

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Recreation Infrastructure maintenance	Undertaking general maintenance of all Council owned and controlled land (DELWP), buildings and facilities and supporting communities that undertake these activities on behalf of Council. Maintenance completed in line with programs and Committee of Management agreements and conditions. Work completed through a mixture of in-house resources and contractors. 37% of this budget relates to depreciation.	<i>Exp</i>	2,733	3,279	3,232
		<i>Rev</i>	62	62	70
		<i>NET</i>	2,671	3,217	3,162
Volunteers	Supporting volunteers to best service their communities through recruitment and retention, capacity building, developing new programs and achieving best practice in volunteer management.	<i>Exp</i>	20	144	44
		<i>Rev</i>	-	2	-
		<i>NET</i>	20	142	44

Initiatives

Service Area	Major Initiatives
Children Services	<ul style="list-style-type: none"> - Development of Municipal Early Years Plan - Development of Early Years infrastructure planning draft plans for Inverleigh and Teesdale - Development of strategic planning for Maternal and Child Health and Family Day Care - Planning and implementation of new Sleep and Settling program funded by DHHS (ongoing) - Planning and implementation of School readiness funding implementation 2021 - Planning and implementation of Funded 3 year old Kindergarten commencing 2022 - Undertake service user satisfaction survey
Active Aged & Disability	<ul style="list-style-type: none"> - Action Plan: Aged Care Quality Standards (effective 1 July 2019), to ensure understanding, implementation and compliance across service provision. - Action Plan: 2020-2024 Active Ageing and Inclusion Plan to identify current and future needs of older residents and people living with disabilities.
Community Facilities	<ul style="list-style-type: none"> - Deliver safety and amenity improvement works to the Bannockburn Cultural Centre.
Community Development	<ul style="list-style-type: none"> - Deliver the new and improved Community Grants Program including implementing funding streams and quick response grants. - Work with local communities to delivery six new community plans and review the Community Planning Program.
Health Promotion	<ul style="list-style-type: none"> - Develop and adopt the Municipal Public Health and Wellbeing Plan. - Consider and develop the priorities from the CASIMO report for implementation.
Arts & Culture	<ul style="list-style-type: none"> - Creative Wanderings- promoting professional arts/music/public art - Facilitating opportunities for Creatives – brokering access to space and capacity building programs - Art Exhibitions – Spring in the Shire 2020
Youth Development	<ul style="list-style-type: none"> - Develop a Youth Strategy Action Plan. - Progress the Youth Portable concept. - Deliver programs from Engage and Freeza from funding.
Recreation Planning	<ul style="list-style-type: none"> - Implement Sport and Active Recreation Strategy 2020-2030. - Play Space Strategy 2019-2029 implementation. - Master planning for recreation reserves. - Concept planning and detailed design for Sport and Active Recreation projects.
Recreation Construction	<ul style="list-style-type: none"> - Bannockburn Soccer - Changerooms, lighting and fencing. - Linton Cricket Nets. - Inverleigh Social Room Upgrade. - Lethbridge Lighting and Irrigation Upgrade.
Recreation Infrastructure maintenance	<ul style="list-style-type: none"> - Working with Committee of Management groups to identify priority maintenance projects. - Service Planning & Asset Rationalisation Review

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Service Performance Outcome Indicators

Service	Indicator	2018-19	2019-20	2020-21
		Actual	Forecast	Budget
Maternal and Child Health	Participation in first MCH home visit	99.20%	100%	100%
Maternal and Child Health	Infant enrolments in the MCH service	101.20%	100%	100%
Maternal and Child Health	Participation in the MCH service	82.31%	80%	80%
Maternal and Child Health	Participation in the MCH service by Aboriginal children	86.96%	80%	80%
Home and Community Care	Participation	N/A	N/A	N/A

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in MCH key ages and stages visits	Number of children who attend the MCH service at least once (in the year) × 100
		(Percentage of children attending the MCH key ages and stages visits)	Number of children enrolled in the MCH service
Maternal and Child Health	Participation	Participation in MCH key ages and stages visits by Aboriginal children	Number of Aboriginal children who attend the MCH service at least once (in the year) × 100
		(Percentage of Aboriginal children attending the MCH key ages and stages visits)	Number of Aboriginal children enrolled in the MCH service
Home and Community Care	Participation	Participation in HACC service	Number of people that received a HACC service × 100
		(Percentage of the municipal target population that receive a HACC service)	Municipal target population for HACC services
Home and Community Care	Participation	Participation in HACC service by CALD people	Number of CALD people who receive a HACC service × 100
		(Percentage of the municipal target population in relation to CALD people that receive a HACC service)	Municipal target population in relation to CALD people for HACC services
Libraries	Participation	Active library borrowers in municipality	Sum of the number of active library borrowers in the last 3 financial years × 100
		(Percentage of the municipal population that are active library borrowers)	Sum of the population in the last 3 financial years

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Strategic Objective 2: Enhancing Local Economies

To achieve the strategic objective of enhancing local economies Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service area		Description of services provided		2018-19	2019-20	2020-21
				Actual	Forecast	Budget
				\$'000	\$'000	\$'000
Economic Development		This service facilitates and supports a diverse, resilient, prosperous and socially responsible economy. This is done by working with business, government and community partners, through attracting investment, supporting local business, lobbying and advocating for improved infrastructure and developing tourism. 2019-20 forecast includes bushfire recovery grant.	Exp	466	370	468
			Rev	23	208	47
			NET	443	162	361
Golden Plains Farmers' Market		To provide a genuine farmers' market experience for visitors and residents that strengthens opportunities for local growers and makers, supports the local economy and tourism and creates a vibrant community meeting place.	Exp	98	57	84
			Rev	24	35	35
			NET	74	22	49

Initiatives

Service Area	Major Initiatives
Investment Attraction & Business Support	- Implement the Golden Plains Economic Development and Tourism Strategy 2017 -2021
	- Implement business support initiatives in response to the COVID-19 crisis
	- Develop the Three Trails project to upgrade the Ballarat-Skipton Rail Trail, the Rainbow Bird Trail and the Kuruc-a-ruc Trail
	- Develop new Golden Plains Economic Development, Tourism and Investment Attraction Strategy
Golden Plains Farmers' Market	- Support local producers, business and tourism through a monthly Farmer's Market and annual Twilight Market.

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Strategic Objective 3: Maintaining Natural and Built Environments

To achieve the strategic objective of maintaining Natural and Built environments Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service area	Description of services provided		2018-19 Actual \$'000	2019-20 Forecast \$'000	2020-21 Budget \$'000
Major Projects	Planning and development of major projects, including halls, recreation reserves and pavilions and sporting facilities Major land development projects undertaken by Council are also included in this program.	Exp	86	96	1,926
		Rev	2	1,290	1,075
		NET	84	(1,194)	851
Statutory Planning	To provide a range of statutory planning services to promote the fair, orderly and sustainable development of land within the Shire.	Exp	1,382	811	1,024
		Rev	721	659	893
		NET	661	152	131
Strategic Planning	Undertake long term land use planning to meet the sustainable needs of current and future generations. 2020-21 budget includes restructure impacts from separating Strategic and Statutory Planning.	Exp	-	713	504
		Rev	-	98	39
		NET	-	615	465
Community Safety	To implement local laws, school crossing supervision, fire protection, emergency management and animal control programs to ensure the safety of residents and visitors to the Shire.	Exp	657	769	713
		Rev	582	577	566
		NET	75	192	147
Environment and Sustainability	To implement a range of sustainable strategies and environmental management programs to ensure the protection and enhancement of identified environmental assets.	Exp	519	582	687
		Rev	80	58	57
		NET	439	524	630
Environmental Health	To protect and enhance the health of the public and the environment via a range of education and enforcement programs. To deliver services addressing domestic waste, water management, food safety, immunisation and tobacco control regulations.	Exp	528	590	614
		Rev	270	275	239
		NET	258	315	375
Building Control	To undertake a range of regulatory compliance actions to ensure a safe build environment for all Golden Plains Shire residents. 2020-21 budget includes additional corporate overheads in relation to ICT software and additional \$150k funds to implement new registration and safety compliance requirements and a reduction of \$60k in pool registration and pool permit information search fees.	Exp	339	368	762
		Rev	139	159	117
		NET	200	209	645
Fire Protection	Implementation of the Municipal Fire Management Plan which includes undertaking fire hazard inspections, completing maintenance in reserves and provides financial and physical support to the CFA for burning of Municipal land.	Exp	246	278	303
		Rev	44	44	48
		NET	202	234	255
		Exp	1,574	1,976	1,680

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Sealed Roads Routine Maintenance	Routine maintenance of the Road Register sealed local road network. Council road maintenance crew activities related to upkeep and maintenance of Councils 987km of sealed road network. Provision of roadside slashing and guidepost spraying (Fire prevention) for the sealed road network.	Rev	196	174	174
		NET	1,378	1,802	1,506
Local Roads Resealing & Rehabilitation	Bituminous resealing of Council's local sealed road network. Council depreciation of the sealed road network. 97% of this budget relates to depreciation. Repairs of major and significant road failures (Hazardous) not identified in capital works improvement program.	Exp	532	478	439
		Rev	3	3	5
		NET	530	475	433
Local Roads Depreciation	Depreciation for sealed roads	Exp	3,545	3,689	3,813
		Rev	-	-	-
		NET	3,545	3,689	3,813
Local Roads Improvements	Road design to allow Council to submit grant applications. Majority of budget relates to income from these grant applications.	Exp	108	158	45
		Rev	2,333	3,381	4,908
		NET	(2,225)	(3,223)	(4,863)
Gravel Roads Re-Sheeting & Routine Maintenance	Routine maintenance of the Road Register gravel road network. Council road maintenance crew activities related to upkeep and maintenance of Councils 692km of gravel road network. There are 69km of formed and unmade roads not included on the road registers with minimal budget allocated to these roads. Reconstruction of gravel roads by gravel re-sheeting programs conducted on Council's local gravel road network.	Exp	1,376	1,227	1,252
		Rev	10	5	10
		NET	1,366	1,222	1,242
Gravel Road Depreciation	Depreciation for gravel roads	Exp	1,172	1,189	1,206
		Rev	-	-	-
		NET	1,172	1,189	1,206
Bridge Maintenance	General maintenance of Council's 138 bridges and major culverts. Maintenance activities are aligned to condition surveys and activities to keep assets safe and serviceable. Activities do not relate to asset improvement or upgrade. This budget includes income from grant funding applications. 44% of this budget relates to depreciation.	Exp	712	979	615
		Rev	2	805	1,502
		NET	710	174	(887)
Tree Clearing	Tree clearing works on Council's local road network and managed land, to ensure community safety and in response to customer requests. Maintenance work is delivered via internal staff and contractors. Council receives over 400 customer requests per year for tree maintenance.	Exp	307	539	747
		Rev	2	2	4
		NET	305	537	744
Gravel Pits	Operation of Council Sago gravel pit. This budget relates to the extraction and use of Sago gravel within the Shire in line with licence requirements. Sago gravel is used in Council road projects, gravel re-sheeting and general gravel road maintenance. 20% of this budget relates to depreciation.	Exp	159	257	179
		Rev	449	101	103
		NET	(290)	156	76
Asset Management	Strategic Management of Council's significant asset base including but not limited to roads, bridges, footpaths, buildings, recreation reserves, drainage systems, parks and playgrounds etc. 2020-21 budget includes the re-allocation of 2 FTEs, additional corporate overheads, and \$80k for an asset rationalisation review.	Exp	516	649	862
		Rev	219	102	83
		NET	297	547	779
Drainage Maintenance	Maintenance of Council's significant township and rural drainage assets. This includes pipe systems, open drains, discharge points, treatment wetlands and kerb & channel. The budget is split between urban and rural drainage projects. 16% of this budget relates to depreciation.	Exp	617	754	721
		Rev	42	28	35
		NET	575	725	686

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Private Works	Provision of private works services for residents, other Councils and developers. External parties can request Council to provide quotation to complete works on their behalf. These requests normally relate to works that have potential impact on existing Council assets. These requests are dependant on Council resource availability.	Exp	18	21	25
		Rev	1	10	12
		NET	17	11	13
Line marking, Guideposts and Signs	Maintenance of line-marking, and delineation in the form of guideposts and signage across Council's local road network to Australian and VicRoads guidelines. This work includes maintenance and new signage as well as addressing customer requests.	Exp	282	293	271
		Rev	2	3	2
		NET	280	290	270
Street Lighting	Provision of street lighting across Council's local road network. This includes power costs associated with running streetlights, installation of new streetlights and maintenance where required.	Exp	170	173	115
		Rev	3	1	1
		NET	167	172	114
Township Maintenance	Provision of all township maintenance services including street beautification works, roadside, parkland and recreation facility grass cutting in accordance with Council policy. Tree planting and maintenance. Street furniture maintenance and replacement. General litter removal and removal of graffiti.	Exp	693	770	795
		Rev	16	5	10
		NET	677	764	785
Bus Shelters	Provision and maintenance of bus shelters across the Shire in line with Council Policy.	Exp	15	66	13
		Rev	-	38	-
		NET	15	28	13
Paths and Trails	Maintenance of Council's network of footpaths and trails. Council maintain paths constructed from concrete, asphalt and gravel including all signage, drains and bollards. 58% of this budget relates to depreciation.	Exp	246	270	288
		Rev	63	101	52
		NET	183	169	236
Garbage Collections	Collection of domestic garbage and recyclables and disposal of garbage across the Shire. Management of ongoing shared services contracts including recycling, disposal and collection.	Exp	2,254	2,720	2,984
		Rev	2,916	3,033	3,050
		NET	(662)	(313)	(66)
Municipal Tips	Operation of the Rokewood Transfer Station including sorting and appropriate recycling and disposal. Rehabilitation and environmental monitoring of Council's registered historic landfill sites.	Exp	115	190	127
		Rev	98	20	15
		NET	17	170	112
Litter Control	Control of general litter and illegal dumping that occurs across the Shire. Dumping is normally seen in remote areas of low traffic. Council investigate all dumping to identify sources. Dumped rubbish is collected and disposed of properly.	Exp	94	62	54
		Rev	1	1	1
		NET	94	61	53

Initiatives

Service Area	Major Initiatives
Development Services	<ul style="list-style-type: none"> - Undertake targeted planning scheme enforcement and compliance checks. - Implement the Northern Settlement Strategy. - Commence the process of developing new land use policy directions for the township of Teesdale.

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	<ul style="list-style-type: none"> - Complete the development of a new structure plan for the township of Teesdale. - Explore opportunities for the identification of new employment land within the Shire. - Implement Council's adopted Domestic Waste Water Management Plan. - Implement a targeted inspection program to ensure high levels of swimming pool barrier compliance.
Sealed Roads Routine Maintenance	<ul style="list-style-type: none"> - Road condition survey and revaluation program - Sealed road maintenance and rehabilitation - Yearly fire prevention program of roadside slashing
Local Roads Resealing	<ul style="list-style-type: none"> - Road condition survey and revaluation program
Local Roads Rehabilitation	<ul style="list-style-type: none"> - Road condition survey and revaluation program - Major patching and maintenance
Local Roads Improvements	<ul style="list-style-type: none"> - Deliver the Roads to Recovery Funding Program - Delivery of Fixing Country Roads Program (if funding becomes available) - Lobbying for Government and external road funding - Road Design investigation - Road Management Practice Improvements (Systems, Policies and Community Engagement)
Gravel Roads Routine Maintenance	<ul style="list-style-type: none"> - Road Management Practice Improvements (Systems, Policies and Community Engagement) - Road condition survey and revaluation program - Gravel road maintenance as per Customer Charter and maintenance program - Dust suppression additive trials
Gravel Re-sheeting	<ul style="list-style-type: none"> - Road condition survey and revaluation program
Bridge Maintenance	<ul style="list-style-type: none"> - Bridge condition survey and revaluation program - Lobbying for Government and external bridge funding - Bridge and large culvert routine maintenance - Obtaining contributions from other Councils where bridges are on Council boundaries
Tree Clearing	<ul style="list-style-type: none"> - Cypress Trees strategy, Meredith & Inverleigh Avenues of significance - Tree routine maintenance and clearing - Roadside verge clearing
Asset Management	<ul style="list-style-type: none"> - Service Planning & Asset Rationalisation Review - Building Inspections and Condition Report - Road and Bridge asset revaluation and condition assessment - Procurement of Asset management system
Line marking, Guideposts and Signs	<ul style="list-style-type: none"> - Managing road user safety through line marking and sign maintenance
Street Lighting	<ul style="list-style-type: none"> - Management of power costs for street lighting - Conversion of lighting to energy efficient systems where possible
Township Maintenance	<ul style="list-style-type: none"> - Working with Committee of Management groups - Township mowing and general/routing maintenance - Working with Community Coordinators to achieve community plan outcomes
Paths and Trails	<ul style="list-style-type: none"> - Maintenance of Council Paths & Trails
Garbage Collections	<ul style="list-style-type: none"> - Kerbside collection and disposal of garbage - Kerbside collection and treatment of recycling - Education - Review waste management strategy
Municipal Landfills	<ul style="list-style-type: none"> - Operation of Rokewood transfer station - Management of Governments new e-Waste policy

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Service Performance Outcome Indicators

Service	Indicator	2018-19	2019-20	2020-21
		Actual	Forecast	Budget
Statutory Planning	Decision making	0.00%	50.00%	0.00%
Animal Management	Health & Safety	5	5	5
Food Safety	Health & Safety	100.00%	100.00%	100.00%
Roads	Satisfaction	44	44	44
Waste Collection	Waste Diversion	38.13%	20.50%	38.00%

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)	$\frac{\text{Number of VCAT decisions that did not set aside Council's decision in relation to a planning application}}{\text{Number of VCAT decisions in relation to planning applications}} \times 100$
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	$\frac{\text{Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up}}{\text{Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises}} \times 100$
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

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Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	Weight of recyclables and green organics collected from kerbside bins	Weight of garbage, recyclables and green organics collected from kerbside bins	x100
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Strategic Objective 4: Delivering Good Governance and Leadership

To achieve the strategic objective of delivering good governance and leadership Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service area	Description of services provided		2018-19 Actual \$'000	2019-20 Forecast \$'000	2020-21 Budget \$'000
Communications and Marketing	Articulate clearly Council initiatives, strategies, benefits and services to internal and external stakeholders through communication channels including corporate publications, traditional and digital media and online.	Exp Rev NET	714 6 708	512 1 511	514 - 514
Customer Service Centres	Operation of customer service centres to provide bases from which Council can deliver services.	Exp Rev NET	524 6 518	634 4 630	619 4 615
Events	Deliver corporate and community events for local residents and visitors that celebrate the culture, spirit and achievements of Golden Plains including Australia Day, Citizen of the Year awards and days of national significance.	Exp Rev NET	- - -	232 2 230	184 - 184
Governance	Governance is the process of decision making and the process by which decisions are implemented. This program aims to strengthen Council's decision making capacity and identifies key areas of advocacy that Council will focus on.	Exp Rev NET	847 6 841	718 12 706	835 15 820
Elections	Maintenance of voters' rolls in readiness for 2020 election.	Exp Rev NET	97 2 95	17 1 16	204 - 204
Meetings	Conduct Council meetings, committee meetings, workshops and other meetings of Council with management.	Exp Rev NET	72 - 72	41 1 40	40 1 39
Corporate Planning	Maintenance of an integrated approach to corporate planning, financial planning, budgeting and resource allocation and the maintenance and measurement of organisational performance and promotion of cultural change to meet customer service needs.	Exp Rev NET	955 25 930	1,164 23 1,141	1,202 57 1,145

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Emergency Management	This service ensures Council staff are prepared and our resources are ready to assist before, during and after an emergency.	Exp	222	138	121
		Rev	124	123	123
		NET	98	5	(2)
Occupational Health and Safety	Identify, monitor and manage Council's risks in relation to employee relations, occupational health and safety, workforce requirements, infrastructure, property and business operations.	Exp	291	330	304
		Rev	3	3	4
		NET	288	327	300
Risk Management	Implement and maintain Council's Risk Management Strategy, including regular monitoring and review of the risk action plans.	Exp	-	8	56
		Rev	-	-	4
		NET	-	8	52
General revenue	Levying of rates and charges, managing and collecting interest on rates, receipt of Victoria Grants Commission general purpose grant, managing investments to maximise interest and accounting for subdivisions handed to Council.	Exp	2	3	4
		Rev	27,215	28,022	28,836
		NET	(27,213)	(28,019)	(28,832)
Property and Rating	Management of Council's rating system, including levying rates and charges, outstanding interest and valuing all rateable properties.	Exp	616	695	725
		Rev	490	495	464
		NET	126	200	261
Corporate Reporting and Budgeting	Preparation of Council's Annual Budget, annual financial statements, Strategic Resource Plan, and other statutory returns in accordance with statutory requirements.	Exp	432	366	398
		Rev	5	5	5
		NET	427	361	393
Procurement and Contract Management	Develop and maintain documented standards for procurement governance and procurement process which result in value for money outcomes and minimal procurement risk. Also, develop the contract management capacity of Council.	Exp	493	364	384
		Rev	4	4	7
		NET	489	360	377
Records Management	This service supports the recordkeeping functions of Capture, Control, Storage, Access, Disposal and Operational Management according to the standards outlined by the Public Record Office Victoria. No cost in 2020-21 budget as moved to corporate overheads.	Exp	274	305	-
		Rev	1	2	-
		NET	273	302	-
Borrowings	Effective management of Council borrowings.	Exp	335	538	335
		Rev	-	-	-
		NET	335	538	335
Plant Replacement	Management and replacement of Council's plant and equipment in accordance with the plant replacement schedule.	Exp	201	128	294
		Rev	182	84	246
		NET	19	44	48

Initiatives

Service Area	Major Initiatives
Communications & Marketing	<ul style="list-style-type: none"> - Develop a new design for the Council website with a dedicated focus on customer service and navigation - Acknowledgement of days of significance including ANZAC Day and International Women's Day

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	<ul style="list-style-type: none"> - Develop the Golden Plains Shire New Resident's Program - Promote new communications channels including the Golden Plains e-Gazette and Instagram
Customer Service Centres	<ul style="list-style-type: none"> - Undertake a community satisfaction survey - Review and implementation of a revised Customer Complaint Handling Policy and process
Emergency Management	<ul style="list-style-type: none"> - Maintenance of neighbourhood safer places - Maintain and revise Municipal Emergency Management Plan in line with new Emergency Management Legislation - Conduct multi-agency emergency management meetings - Promote safer emergency practices by the community - Contribution to Barwon Flood warning management
Governance	<ul style="list-style-type: none"> - Implementation of the new Local Government Act 2020
Occupational Health and Safety	<ul style="list-style-type: none"> - Implement MAV Workcare OHSMS Plan - Staff Flu Vaccinations - Implement council's Occupational Health and Safety plan
Risk Management	<ul style="list-style-type: none"> - Review and implementation of a revised Risk Management Strategy
Records Management	<ul style="list-style-type: none"> - Implementation of a corporate Digitisation Plan for greater accessibility to corporate records.
Digital Transformation	<ul style="list-style-type: none"> - Delivery of the key actions of the corporate Digital Transformation Strategy covering the 4 pillars: Data and Information Reform, Digital Opportunity, Technology Reform and Capability Uplift
Corporate Planning	<ul style="list-style-type: none"> - In collaboration with the Community Reference Group, complete and adopt the Golden Plains Shire Community Vision 2040. - Develop and adopt the Council Plan 2021-2025 in accordance with the provisions of the new Local Government Act.

Service Performance Outcome Indicators

Service	Indicator	2018-19	2019-20	2020-21
		Actual	Forecast	Budget
Governance	Satisfaction	47	47.5	47.5

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community

Strategic Objective Summary

	Net Cost (Revenue)	Expenditure	Revenue
	\$'000	\$'000	\$'000
Strategic Objective 1: Promoting Healthy and Connected Communities	7,182	14,974	7,792
Strategic Objective 2: Enhancing Local Economies	411	452	42
Strategic Objective 3: Maintaining Natural and Built Environments	9,770	22,296	12,526
Strategic Objective 4: Delivering Good Governance and Leadership	(23,548)	6,218	29,766
Operating (surplus)/deficit for the year	(6,186)	43,940	50,125

2.2 EXTERNAL FACTORS

Local Government Amendment (Fair Go Rates) Act 2015

- Local Government Amendment (Fair Go Rates) Act 2015 received Royal Assent on 2 December 2015. The Minister for Local Government has made a determination that the cap, which sets the maximum capped amount of rates and municipal charge revenue, will be an average 2% increase for the 2020-21 year.

Fire Services Property Levy Act 2012

- Council will continue to collect the Fire Services Property Levy (FSPL), on behalf of the State Government, which was introduced on 1 July 2013. Hence, Council does not recognise this revenue and the levy is not included in any rating calculation or comparisons.

Local Authorities Superannuation Fund Defined Benefit Plan (LASF DB Plan)

- The LASF DB Plan is an industry wide defined benefit fund that current and past employees of Council are members of and Council has a legal obligation to meet any 'calls' made on the fund. The fund was closed to new members in 1993.

As at 30 June 2017, the triennial actuarial review of the Plan determined the LASF DB Plan as in a satisfactory financial position, fully funded and that a 'call' was not required. This Plan is managed by Vision Super and is exposed to fluctuations in the market. No 'call' is expected in the short term and no provision has been made in 2020-21.

Local Government Costs

- The Budget has been framed taking into account the cost of delivering local government services. Research indicates that local government costs typically increase by around one per cent above the consumer price index (CPI). The CPI is a weighted basket of household goods and services. But, Council services are quite different to household services, since a greater proportion of costs are directed towards providing infrastructure and social and community services.

These costs generally exceed other cost increases in the economy.

Household Waste Disposal

- In recent years the cost of disposing of household waste has increased significantly in Victoria. In 2015-16 Council introduced a new service to help combat these increases. These increased costs have resulted from landfill closures, increased cartage and disposal costs and increased compliance costs for landfill operators.
- The 'National Sword Policy' introduced by China severely restricted the exportation of recycled materials from Australia. As has been widely discussed this resulted in significant increases in the cost of disposing of recycled materials from 2018-19, resulting in an additional cost per household of \$60 p.a. The recycling crisis experienced in Victoria following the closure of SKM resulted in increased disposal costs with no recycling option available forcing Councils throughout Victoria to opt for alternative and more expensive disposal costs. The 2020-21 Budget includes an increase in the annual waste disposal costs of \$5 being the increase in the landfill levy prescribed by the State Government effective from 1 January 2021.

Interest Rates

- Fixed interest rates on new long-term borrowings are assumed to be 2.4% per annum.
- Interest rates for investments are assumed to be between 1.0% and 2.0% per annum.

Population Growth

- Future population growth from 2020 to 2036 is estimated to be 2.3% per annum.

Rates and Charges

- Total rates and charges of \$24.4m include rates, municipal charge, special charges and garbage charge, supplementary rates and interest on rates and charges.
- The interest rate on outstanding rates and charges (per the Penalty Interest Rates Act 1983) is assumed to be 10.0% per annum. The rate can be reviewed at any stage during the year by the Attorney-General and this will be the rate that Council uses in accordance with the Local Government Act 1989.
- Council developed a COVID-19 financial hardship policy in response to the current environment and to provide support to customers affected by COVID-19. Interest will be waived on outstanding debts up to 30 September 2020 to provide further support to customers.
- 6.9% of rates and charges raised in 2020-21 have been budgeted to remain outstanding at 30 June 2021.

Grants

- The Federal Assistance Grants distributed via the Victoria Grants Commission is assumed to increase by 2% from the 2019-20 allocation.
- Operating grants have increased by 8.7% to \$10.5m.
- Capital grants have increased by 23.8% to \$8.1m.
- Further detail on grant revenue is provided in Note 4.1 and 4.5 on page 42 and 62.

User Fees and Charges

- Some statutory fees and charges will increase and the level of income from these fees is generally assumed to increase by 2% as a result of growth in the level of activity.
- Most of Council's non-statutory fees and charges will increase by 2% in accordance with the Strategic Resource Plan.
- Some building and environmental user fees will be introduced or increase following a review conducted comparing to similar sized councils which inconsistencies between councils:
 - New fees – DAB breeding fees, animal registration fees, impounding fees, planning permit fees, local laws fees
 - Fee increases – planning extension of time fees, written planning advice, archive planning file recovery, impounding subsequent offence, DAB breeding fee

Payables

- Trade creditors are based on total capital expenditure, expenditure on Materials and Services and a portion of employee costs such as superannuation. The normal payment cycle is 30 days.

Receivables

- The balance of Other Debtors is based on collecting 95% of contributions, recoupments, grants, fees and charges raised during the year.

Economy

- Economic conditions are expected to remain stable during the budget period. Local Government plays a key role in the implementation of State and Federal Government economic development programs which impact on the level of capital works expenditure of Council.

2.3 INTERNAL FACTORS

Employee Costs

- The Victorian Wage Price index is forecast to be 2.2% in 2020-21. Council has negotiated a three year Enterprise Agreement (EA) that took effect from 1 July 2017.
- Total Employee costs for Council staff is expected to increase by \$974k or 5.3% from the 2019-20 forecast. This increase includes the annual wage increase under the Enterprise Agreement which was a 1.5% increase in 2020-21 and additional 10 FTE for Working for Victoria funded projects which will provide employment to people impacted by COVID-19.

Impact of 2019-20 year on 2020-21 Budget

- The 2019-20 forecast Balance Sheet becomes the starting point for the 2020-21 financial year; therefore this Statement holds the key to analysing the impact of last year's operations on the new Budget.
- The 2019-20 forecast as at 31 March 2020 remains consistent with the original Budget and any known material variance has been allowed for in the forecast. However, any subsequent movement to the forecast before 30 June 2020 will impact the opening Balance Sheet for 2020-21.
- Transactions occurring in the 2019-20 year will have an impact on the 2020-21 Budget. These include such items as closing cash balance, capital purchases and borrowings. These will impact opening cash balance, depreciation and interest respectively.

Councillor and Mayoral Allowances

- The Councillor and Mayoral allowances are set in accordance with the Local Government Act 1989. The base allowance set in December 2019 will remain in force until any change is gazetted by the Minister (usually in November each year).

Allowance	Annualised Thresholds From 1 July 2020
Councillor	\$22,943
Mayoral	\$68,827

The Mayor is also provided with a motor vehicle to conduct mayoral duties.

In accordance with *Local Government Act 2020*, Section 39, commencing 6 April 2020, Council will pay the allowance for the Mayor, Deputy Mayor and Councillors in accordance with a Determination of the Victorian Independent Remuneration Tribunal under the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*.

2.4 BUDGET PRINCIPLES

The Budget also takes into account the following principles:

- The financial result should be consistent with Council's Long Term Financial Plan, to ensure long-term sustainability
- All strategies contained within the Council Plan for the 2020-21 year should be funded in the Budget
- Rates and charges are levied in accordance with Council's Rating Strategy and in compliance with the Local Government Act 1
- Spending and rating policies should be consistent with a reasonable degree of stability in the level of the rates burden
- Council should have regard to the effect on future generations of decisions made
- Staffing levels should be in accordance with Council's Strategic Resource Plan
- Only one-off capital projects should be funded from any retained earnings balance
- Debt finance can be used where appropriate as per Council's Borrowing Policy
- Cash reserves should be maintained at appropriate levels
- Long-term assets should be managed to maximise community benefit
- Existing fees and charges should be increased in line with Council's Strategic Resource Plan or market forces
- New revenue sources should be identified wherever possible
- New initiatives or new employee proposals should be justified through a business case
- Council recognises that government grants are a crucial element of financial sustainability
- Council's Budget should take into account all of Council's other strategic plans
- Financial risks faced by Council should be managed having regard to economic circumstances

2.5 LEGISLATIVE REQUIREMENTS

Under the Local Government Act 1989 (the Act), Council is required to implement the principles of sound financial management. The principles of sound financial management are that a Council must:

- Manage financial risks faced by the Council prudently, having regard to economic circumstances
- Pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden
- Ensure that decisions are made and actions are taken having regard to their financial effects on future generations and
- Ensure full, accurate and timely disclosure of financial information relating to Council

Under the Act, Council is required to prepare and adopt an Annual Budget for each financial year. The Budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Planning and Reporting) Regulations 2014 (the Regulations) which support the Act.

The 2020-21 Budget, which is included in this report, is for the year 1 July 2020 to 30 June 2021 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, and Statement of Changes in Equity, Statement of Cash Flows and a Statement of Capital Works. The Budget also includes a Statement of Human Resources.

These statements have been prepared for the year ended 30 June 2021 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the Budget.

The Budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan (Section 5.1), Rating Strategy and other strategies as detailed in Services, Initiatives and Service Performance Indicators (Section 3).

3 STATEMENTS

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2020-21 has been supplemented with projections to 2023-24 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) regulations 2014.

Comprehensive Income Statement

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

Statement of Capital Works

Statement of Human Resources

Pending Accounting Standards

The 2020-21 budget has been prepared based on the accounting standards applicable at the date of preparation. It has been updated to include the impact of AASB 16 Leases, AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, but pending accounting standards that will be in effect from the 2020-21 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2020-21 financial statements, not considered in the preparation of the budget include:

AASB 1059 Service Concession Arrangements: Grantors

3.1 COMPREHENSIVE INCOME STATEMENT

For the four years ending 30 June 2024

	Note	Forecast 2019-20 \$'000	Budget 2020-21 \$'000	Strategic Resource Plan Projections		
				2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Operating Revenue						
Rates and Charges	4.1.1	23,649	24,357	25,565	26,538	27,731
Statutory fees and fines	4.1.2	669	684	614	615	645
User Fees	4.1.3	3,882	3,419	2,752	2,759	2,891
Grants - Operating	4.1.4	9,679	10,517	10,738	10,738	11,110
Grants - Capital	4.1.5	6,588	8,153	3,317	3,317	2,617
Contributions - monetary	4.1.6	1,703	1,669	1,609	1,609	1,869
Contributions - non-monetary	4.1.7	1,125	1,125	1,125	1,125	1,125
Net Gain/(Loss) on Disposal of Property, Infrastructure	4.1.8	-	-	-	-	-
Other Income	4.1.9	251	202	3,230	3,230	3,675
Total Income		47,545	50,125	48,949	49,930	51,663
Operating Expenditure						
Employee costs	4.1.10	(18,370)	(19,344)	(19,257)	(19,893)	(20,547)
Materials and Services	4.1.11	(15,805)	(15,163)	(13,800)	(14,100)	(14,727)
Bad & Doubtful Debts	4.1.12	(14)	(12)	(2)	(2)	(2)
Depreciation and amortisation	4.1.13	(8,295)	(8,788)	(9,021)	(9,229)	(9,403)
Borrowing Costs	4.1.14	(537)	(356)	(308)	(319)	(324)
Other Expenses	4.1.15	(275)	(277)	(279)	(279)	(593)
Total Expenses		(43,295)	(43,939)	(42,667)	(43,822)	(45,597)
Surplus / (Deficit) for the		4,250	6,186	6,282	6,108	6,066
Other comprehensive		-	-	-	-	-
Total comprehensive result		4,250	6,186	6,282	6,108	6,066

* Notes are included in Section 4.1, beginning on page 36

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3.2 BALANCE SHEET

For the four years ending 30 June 2024		Forecast	Budget	Strategic Resource Plan Projections		
		2019-20	2020-21	2021-22	2022-23	2023-24
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets						
Cash and cash equivalents		9,541	9,646	11,328	12,455	13,233
Trade and Other Receivables		2,499	2,981	2,841	2,911	2,997
Inventories - Consumables		15	21	16	16	16
Non-current assets classified as held for sale		-	-	-	-	-
Other Assets		422	442	422	422	422
Total Current Assets	4.2.1	12,477	13,090	14,606	15,804	16,667
Non-Current Assets						
Investments in associates and joint ventures		724	724	724	724	724
Other non-current financial assets		364	302	364	364	364
Property, infrastructure, plant and equipment		460,730	467,599	469,561	475,419	478,927
Total Non-Current Assets	4.1.2	461,820	468,625	470,649	476,507	480,015
TOTAL ASSETS		474,297	481,715	485,255	492,311	496,682
Current Liabilities						
Trade and Other Payables		2,147	3,414	2,147	2,147	2,147
Trust Funds and Deposits		474	554	474	474	474
Provisions		3,199	3,314	3,485	3,656	3,826
Interest bearing loans and borrowings		2,271	2,284	1,409	1,441	1,474
Total Current Liabilities	4.2.3	8,091	9,566	7,515	7,718	7,921
Non-Current Liabilities						
Provisions		2,731	3,033	2,651	2,356	2,061
Interest bearing loans and borrowings		11,760	11,216	10,907	11,947	10,344
Total Non-Current Liabilities	4.2.4	14,491	14,249	13,558	14,303	12,405
TOTAL LIABILITIES		22,582	23,815	21,073	22,021	20,326
NET ASSETS		451,715	457,900	464,182	470,290	476,356
Equity						
Accumulated Surplus		193,043	199,690	205,807	211,750	217,651
Reserves		258,672	258,210	258,375	258,540	258,705
TOTAL EQUITY	20	451,715	457,900	464,182	470,290	476,356

* Notes are included in Section 4.2, beginning on page 48.

3.3 STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June 2021

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		451,714	193,042	256,153	2,519
Surplus/(deficit) for the year		6,186	6,186	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(1,264)	-	1,264
Transfers from other reserves		-	1,726	-	(1,726)
Balance at end of the financial year	4.3	457,900	199,690	256,153	2,057

For the year ending 30 June 2022

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		457,900	199,690	256,153	2,057
Surplus/(deficit) for the year		6,282	6,282	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(165)	-	165
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		464,182	205,807	256,153	2,222

For the year ending 30 June 2023

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		464,182	205,807	256,153	2,222
Surplus/(deficit) for the year		6,108	6,108	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(165)	-	165
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		470,290	211,750	256,153	2,387

For the year ending 30 June 2024

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		470,290	211,750	256,153	2,387
Surplus/(deficit) for the year		6,066	6,066	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(165)	-	165
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		476,356	217,651	256,153	2,552

*Notes are included in Section 4.3, beginning on page 49.

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3.4 STATEMENT OF CASH FLOWS

For the four years ending 30 June 2024	Note	Forecast	Budget	Strategic Resource Plan Projections		
		2019-20	2020-21	2021-22	2022-23	2023-24
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities (Inclusive of GST where applicable)						
Receipts from Ratepayers		23,648	24,479	24,920	25,681	26,771
Grants		18,062	19,282	14,055	14,055	13,727
Interest Received		251	78	250	250	250
User Fees		3,242	4,148	3,366	3,373	3,536
Contributions and Recoupments		1,752	1,581	1,609	1,609	2,314
Payments to Employees		(18,370)	(19,273)	(19,368)	(20,004)	(20,972)
Payments to Suppliers		(15,264)	(15,938)	(15,550)	(14,572)	(15,075)
Net GST Refunded		1,029	1,022	924	959	922
Trust Funds		190	80	-	-	-
Net cash provided by/(used in) Operating Activities	4.4.1	14,540	15,459	10,205	11,352	11,474
Cash Flows From Investing Activities (Net of GST)						
Payment for Land & Buildings		(1,622)	(723)	(2,339)	(3,991)	(2,446)
Payment for Infrastructure Assets		(10,432)	(10,704)	(4,664)	(8,715)	(8,274)
Payment for Plant & Machinery		(1,227)	(825)	(1,202)	(1,202)	(1,202)
Payment for Furniture & Equipment		(653)	(306)	(20)	(20)	(20)
Payment for Other Structures		(14,939)	(2,423)	(2,088)	(472)	(348)
Proceeds from Sale of Land		-	-	2,980	2,980	2,980
Proceeds from Sale of Assets		-	514	438	438	504
Net cash provided by/(used in) Investing Activities	4.4.2	(28,873)	(14,467)	(6,895)	(10,982)	(8,806)
Cash Flows From Financing Activities						
Interest Paid		(307)	(356)	(308)	(319)	(324)
Repayment of Borrowings		(3,882)	(1,381)	(1,320)	-	(1,566)
Proceeds from Loan		9,500	850	-	1,077	-
LGFV Sinking Fund		-	-	-	-	-
Non-Current Investment		-	-	-	-	-
Net cash provided by/(used in) Financing Activities	4.4.3	5,311	(887)	(1,628)	758	(1,890)
Net Increase/(Decrease) in Cash and cash equivalents		(9,022)	105	1,682	1,128	777
Cash and cash equivalents at the beginning of the financial year		18,563	9,541	9,646	11,328	12,456
Cash and cash equivalents at the end of the financial year		9,541	9,646	11,328	12,456	13,233

* Notes are included in Section 4.4, beginning on page 51.

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3.5 STATEMENT OF CAPITAL WORKS-

For the four years ending 30 June 2023

		Forecast	Budget	Strategic Resource Plan Projections		
	Note	2019-20	2020-21	2021-22	2022-23	2023-24
		\$'000	\$'000	\$'000	\$'000	\$'000
Property						
Land		1,500	-	-	-	1,200
Land improvements		-	-	-	-	-
Total land	4.5	1,500	0	0	0	1,200
Buildings – specialised		9,072	103	1,455	3,087	1,521
Buildings – unspecialised		130	620	884	904	925
Heritage buildings		-	-	-	-	-
Building improvements		-	-	-	-	-
Leasehold improvements		-	-	-	-	-
Total buildings	4.5	9,202	723	2,339	3,991	2,446
Total property		10,702	723	2,339	3,991	3,646
Plant and equipment						
Heritage plant and equipment		-	-	-	-	-
Plant, machinery and equipment		1,227	825	1,222	1,222	1,222
Fixtures, fittings and furniture		26	-	-	-	-
Computers and		627	306	167	143	133
Library books		-	-	-	-	-
Total plant and equipment	4.5	1,880	1,131	1,389	1,365	1,355
Infrastructure						
Roads		7,008	7,305	4,267	5,572	3,961
Bridges		3,082	3,000	521	1,747	1,574
Footpaths and cycleways		368	300	285	285	285
Drainage		-	100	33	33	33
Recreational, leisure and community facilities		2,822	1,973	1,314	1,242	1,271
Waste management		-	-	-	-	-
Parks, open space and		-	450	115	115	115
Off street car parks		25	-	50	50	50
Other infrastructure		-	-	-	-	-
Total infrastructure	4.5	16,290	13,128	6,585	9,044	7,289
Total capital works expenditure		28,872	14,982	10,313	14,400	12,290
Represented by:						
New asset expenditure	4.5.3	8,010	2,323	889	2,115	3,142
Asset renewal expenditure	4.5.4	5,717	8,992	5,093	7,353	4,972
Asset upgrade expenditure	4.5.5	10,645	3,667	4,332	4,932	4,177
Asset expansion expenditure	-	4,500	-	-	-	-
Total capital works expenditure		28,872	14,982	10,313	14,400	12,290

* Notes are included in Section 4.5, beginning on page 53.

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3.6 STATEMENT OF HUMAN RESOURCES

For the four years ending 30 June 2024

		Forecast	Budget	Strategic Resource Plan Projections		
	Note	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Staff expenditure						
Employee costs – operating		18,370	19,344	19,257	19,893	20,547
Employee costs – capital		-	-	-	-	-
Total staff expenditure	10	18,370	19,344	19,257	19,893	20,547
		FTE	FTE	FTE	FTE	FTE
Staff numbers						
Employees		198	208	200	202	204
Total staff numbers	10	198	208	200	202	204

* Notes are included in Section 4.1.10, beginning on page 45.

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Note	Comprises			
		Budget	Permanent		Casual
		2020-21 \$'000	Full Time \$'000	Part time \$'000	Casual \$'000
Community Services		6,963	2,635	3,953	375
Corporate Services		3,621	3,014	607	-
Infrastructure and Development		6,913	6,246	667	-
Office of CEO & Mayor		917	824	93	-
Working for Victoria Project		760	-	-	760
Total permanent staff expenditure		19,174	12,719	5,320	1,135
Fringe Benefit Tax		170			
Total expenditure		19,344			

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Note	Comprises			
		Budget	Permanent		Casual
		2020-21 \$'000	Full Time \$'000	Part time \$'000	Casual \$'000
Community Services		78.82	26.26	47.71	4.85
Corporate Services		37.68	30.00	7.68	-
Infrastructure and Development		73.08	66.00	7.08	-
Office of CEO & Mayor		8.00	7.00	1.00	-
Working for Victoria Project		10.00	-	-	10.00
Total permanent staff expenditure		207.58	129.26	63.47	14.85
Fringe Benefit Tax		-			
Total expenditure		207.58			

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Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2020-21 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 5.2) and sustainable capacity, which are not included in this Budget report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the report of operations.

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4 BUDGET ANALYSIS

4.1 ANALYSIS OF COMPREHENSIVE INCOME STATEMENT

This section of the Budget analyses the various components of income and expenditure expected during the year.

Adjusted Underlying Result

Council's budgeted surplus for 2020-21 is \$6.2m, however this 'headline' figure can be misleading. The 'adjusted underlying result' of (\$1.8m) deficit more accurately represents the true financial performance of Council in a 'normal' year.

The regulations prescribe the method for calculating the 'Adjusted Underlying Result'. Per the following table, it removes any non-recurrent grants used to fund capital expenditure, non-monetary asset contributions and other contributions to fund capital expenditure from the total comprehensive result.

	Forecast 2019-20 \$'000	Budget 2020-21 \$'000	Projection 2021-22 \$'000	Projection 2022-23 \$'000	Projection 2023-24 \$'000
Total Comprehensive Result	4,250	6,186	6,282	6,108	6,066
*Non-recurrent grants used to fund capital expenditure	(5,242)	(6,820)	(1,983)	(1,983)	(1,400)
Non-monetary asset contributions	(1,125)	(1,125)	(1,125)	(1,125)	(1,125)
Other contributions to fund capital expenditure	(469)	-	(2,980)	(2,980)	(2,980)
Adjusted Underlying Result	(2,586)	(1,759)	194	20	561

* excludes \$1,333k Roads to Recovery capital recurrent grant

When preparing the 2019-20 budget a key objective identified was to increase the standard of infrastructure assets to meet the increasing demands of our growing population. The level of investment in capital renewal projects and level of maintenance of infrastructure was increased to ensure adequate services are maintained. These levels of expenditure have been reduced to normal levels in the 2020-21 budget to ensure the long term financial sustainability of the Council. An additional constraint in the 2020-21 budget is the reduction in the rate cap from 2.5% in 2019-20 to 2.0% in 2020-21.

4.1 Comprehensive Income Statement

Note 4.1.1: Rates and Charges (\$708k increase)

Rates and charges are required by the Act and the Regulations to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2020-21 the FGRS cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.0% in line with the rate cap.

The current Rating Strategy is based on the following rating principles:

- Municipal charge of \$306 on all properties
- 90% differential rate for farms over 40 hectares and intensive farms
- No discount for farms of 2 to 40 hectares (unless intensive farm)
- General rate applicable to non-farm, non-developable land in the Farm Zone
- Non-Farm Vacant Land rate of 200% of the general rate
- Business rate of 100% of the general rate

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- Growth area differential rate on properties covered by the Bannockburn Urban Design Framework, Township Structure Plans, Township Zones, Low Density Residential Zones and Rural Living Zones as identified in the Golden Plains Planning Scheme and
- General rate applicable to all other properties

A review of the Rating Strategy was completed in 2019-20 which involved removing all growth differentials classes and establishing new differentials for farming based on the land use. Growth differentials have been retained in the tables below to demonstrate the changes from 2019-20 to 2020-21.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	2019-20	2020-21	Change	%
	Forecast Actual	Budget		
	\$'000	\$'000	\$'000	
Rates Revenue	17,258	17,875	617	4%
Municipal Charge General	3,165	3,303	138	4%
Interest on Rates	150	-	(150)	-100%
Supplementary Rates and Rates Adjustments	110	150	40	36%
Municipal Charge on Supps	17	15	(2)	-12%
Special Charge Income	31	-	(31)	-100%
Garbage Collection Charge	2,918	3,014	96	3%
Total rates and charges	23,649	24,357	708	3%

*These items are subject to the rate cap established under the FGRS

4.1.1(b) The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2019-20	2020-21	Change
	cents/\$CIV*	cents/\$CIV*	
Residential	0.002951	0.002907	(0.000044)
Residential (Growth Area)	0.003128	0.002907	(0.000221)
Business, Industrial & Commercial	0.002951	0.002907	(0.000044)
Business, Industrial & Commercial (Growth Area)	0.003128	0.002907	(0.000221)
Business, Industrial & Commercial (Bannockburn)	0.003128	0.003489	0.000361
Farm Land	0.002656	-	-
Farm Land (Growth Area)	0.002833	-	-
Farm Land Broadacre	-	0.002471	-
Farm Land Intensive	-	0.002616	-
Farm Land < 40 Hectares	-	0.002907	-
Non Farm Vacant Land	0.005902	0.005813	(0.000089)
Non Farm Vacant Land (Growth Area)	0.006079	0.005813	(0.000266)
Vacant Land Non-Developable	0.002951	0.002907	(0.000044)
Vacant Land Non-Developable (Growth Area)	0.003128	0.002907	(0.000221)

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4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2019-20	2020-21	Change	
	\$'000	\$'000	\$'000	%
Residential	1,760	1,841	81	4%
Residential (Growth Area)	10,000	10,311	311	3%
Business, Industrial & Commercial	44	48	4	8%
Business, Industrial & Commercial (Growth Area)	53	58	5	10%
Business, Industrial & Commercial (Bannockburn)	210	232	21	10%
Farm Land	3,299	-	(3,299)	(100%)
Farm Land (Growth Area)	144	-	(144)	(100%)
Farm Land Broadacre	-	3,257	3,257	100%
Farm Land Intensive	-	49	49	100%
Farm Land < 40 Hectare	-	149	149	100%
Non Farm Vacant Land	320	356	36	11%
Non Farm Vacant Land (Growth Area)	1,310	1,449	139	10%
Vacant Land Non-Developable	102	110	10	7%
Vacant Land Non-Developable (Growth Area)	16	15	(1)	(3%)
Total amount to be raised by general rates	17,258	17,875	617	4%

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2019-20	2020-21	Change	
	\$'000	\$'000	\$'000	%
Residential	1,243	1,256	13	1%
Residential (Growth Area)	6,640	6,846	206	3%
Business, Industrial & Commercial	44	44	0	0%
Business, Industrial & Commercial (Growth Area)	98	98	0	0%
Business, Industrial & Commercial (Bannockburn)	115	119	4	3%
Farm Land Broadacre	1,248	1,258	10	1%
Farm Land Intensive	20	21	1	1%
Farm Land < 40 Hectare	73	73	0	0%
Non Farm Vacant Land	267	263	(4)	1%
Non Farm Vacant Land (Growth Area)	1,070	1,056	(14)	1%
Vacant Land Non-Developable	244	242	(2)	-1%
Vacant Land Non-Developable (Growth Area)	26	27	1	3%
Total amount to be raised by general rates	11,088	11,313	225	2%

4.1.1(e) The basis of valuation to be used is the Capital Improved Value (CIV).

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4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2019-20	2020-21	Change	
	\$'000	\$'000	\$'000	%
Residential	594,351	625,513	31,162	5%
Residential (Growth Area)	3,191,857	3,546,745	354,888	11%
Business, Industrial & Commercial	15,159	11,004	(4,155)	(27%)
Business, Industrial & Commercial (Growth Area)	26,424	23,244	(3,180)	(12%)
Business, Industrial & Commercial (Bannockburn)	57,558	68,792	11,234	19%
Farm Land Broadacre	1,227,124	1,327,836	100,712	8%
Farm Land Intensive	17,427	18,669	1,242	7%
Farm Land < 40 Hectare	47,119	51,243	4,124	9%
Non Farm Vacant Land	57,874	61,263	3,389	6%
Non Farm Vacant Land (Growth Area)	215,537	249,255	33,718	16%
Vacant Land Non-Developable	34,439	37,720	3,281	9%
Vacant Land Non-Developable (Growth Area)	4,824	5,353	529	11%
Total amount to be raised by general rates	5,489,693	6,026,637	536,944	10%

*The above valuations and rates in the dollar are indicative only as they are based on the draft 2020 Revaluations available at 16 March 2020. These rates in the dollar will be recalculated in May 2020 following certification of the 2020 Revaluation by the Valuer-General, in order to ensure compliance with the rate capping provisions of the Local Government Act.

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2019-20	2020-21	\$	%
	\$	\$		
Municipal Charge General	300	306	6	2%

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year

	2019-20	2020-21	Change	
	\$	\$	\$	%
Municipal Charge General	3,165	3,303	138	4%

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4.1.1(i) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2019-20	2020-21		
	\$	\$	\$	%
Residential Garbage Inc Recycling	330	335	5	2%
Second Service Garbage Collection	162	167.50	5.5	3%
Second Service Recycling Collection	162	167.50	5.5	3%
Commercial Garbage Inc Recycling (Cost Recovery)	330	335	5	2%

4.1.1(j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

	2019-20	2020-21	Change	
	\$	\$	\$	%
Garbage Collection Charge (Compulsory)	2,846	2,929	83	3%
Garbage Collection Charge (Not Compulsory)	72	85	7	18%

4.1.1(k) Fair Go Rates System Compliance

Victoria City Council is required to comply with the State Government's Fair Go Rates System (FGRS). The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	2019-20	2020-21
Total Rates	\$17,257,971	\$17,875,690
Number of rateable properties	11,088	11,313
Base Average Rate	\$1,797.63	\$1,835.65
Maximum Rate Increase (set by the State Government)	2.50%	2.00%
Capped Average Rate	\$1,842.11	\$1,871.96
Maximum General Rates and Municipal Charges Revenue	\$20,430,040	\$21,182,400
Budgeted General Rates and Municipal Charges Revenue	\$20,422,971	\$21,177,430
Budgeted Supplementary Rates and Municipal Charges Revenue	\$126,786	\$165,000
Budgeted Total Rates and Municipal Charges Revenue	\$20,549,757	\$21,342,430

4.1.1(l) Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2020-21: estimated \$150k and 2019-20: \$110k)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(m) Differential rates

Further detailed information concerning Rates and Charges can be found in Section 5.4 Rating Information and Section 6 Appendices.

Note 4.1.2: Statutory Fees and Fines (\$15k increase)

Statutory fees and fines represent 1.4% of total income. Details of total fees and fines contained in the Budget follow.

Statutory Fees and Fines	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Planning and Building Fees	525	543	18
Animal Infringement Fines	80	80	-
Land Information Certificate Fees	28	28	-
Drainage Information Fees	25	30	5
Subdivision Supervision Fees	10	1	(9)
Other Fees and Fines	1	2	1
Total Statutory Fees and Fines	669	684	15

Note 4.1.3: User Fees (\$463 decrease)

User fees represent 6.8% of total income. Details of total fees contained in the Budget follow.

User Fees	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Bannockburn Child Care	2,259	1,778	(481)
Animal Registration Charges	405	405	-
Kindergarten Cluster	263	341	78
Septic Tank Fees	160	160	-
Gravel Cartage Levy	150	153	3
Home and Community Care Fees	146	151	6
Subdivision Supervision Fees	100	80	(20)
Food and Health Fees	88	44	(44)
Bannockburn Cultural Centre Fees	44	60	16
Rents and Leases	40	41	1
Fire Hazard Eradication Fees	40	35	(5)
Bannockburn Family Services Centre Fees	32	14	(19)
Farmers Market Fees	30	30	-
Smythesdale Business Hub Fees	30	33	3
Other	21	17	(3)
Community Protection Fees	19	23	3
Planning and Building Fees	19	31	13
Northern Community Centre Fees	13	0	(13)
Road Opening Permit Fees	12	12	-
Tip Fees	8	8	-
Animal Fees and Fines	2	2	-
Local Laws Infringement Fines	1	2	1
Meredith Community Hub Fees	1	1	-
User Fees Total	3,882	3,419	(463)

Note 4.1.4: Grants - Operating (\$838k increase)

Operating grants comprise 20.9% of the total income. The Budget provides for \$10.5m in operating grants, representing a increase of \$838k from the 2019-20 forecast.

The Budget allows for a Victoria Grants Commission (VGC) allocation of \$6.13m, which represents a 3.6% increase from the 2019-20 allocation. A complete listing of total budgeted grants is shown below.

Operating grants are those grants utilised to deliver ongoing services and programs.

Operating Grant Funding Types and Source

Recurrent - Commonwealth Government	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
General Purpose Grants (VGC)	3,769	3,933	164
Local Road Funding (VGC)	2,138	2,192	54
Commonwealth Home Support Program	893	942	49
Recurrent - State Government			
Children Services	502	410	(92)
Kindergarten	660	678	18
Health Promotion	500	482	(17)
Maternal & Child Health	276	315	39
Age & Disability Services	193	192	(1)
Emergency Management	163	120	(43)
Youth Development	69	67	(2)
Environment Management	51	51	-
Recreation	30	-	(30)
Other	63	-	(63)
Community Protection	46	43	(3)
Public Health	17	17	-
Total Recurrent Grants	9,369	9,341	73
Non-recurrent - State Government			
Working for Victoria	-	1,075	1,075
Recreation	110	-	(110)
Bushfire Recovery	200	-	(200)
Total Non-recurrent Grants	310	1,075	1,075
Total Operating Grant Funding	9,679	10,517	838

Note 4.1.5: Capital Grant Grant (\$1.6m increase)

The Budget provides for \$8.15m in capital grants representing an increase of \$1.6 or 23.8% from 2019-20 forecast. Capital grants comprise 16.3% of the total income. Capital grants are utilised to deliver Capital projects.

Non-recurrent grant means a grant obtained on the condition that it is expended in a specified manner and is not expected to be received again during the period covered by Council's Strategic Resource Plan.

Capital Grant Funding Types and Source

Recurrent - Commonwealth Government	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Roads to Recovery	1,346	1,333	(13)
Local Roads and Community Infrastructure Program	-	1,334	1,334
Total Recurrent Grants	1,346	2,667	1,321
Non-Recurrent - Commonwealth Government			
Bridges	604	1,500	897
Non-Recurrent - State Government			
Roads	2,033	2,238	205
Recreation, Leisure and Community	2,505	1,698	(807)
Footpath	100	50	(50)
Total Non-Recurrent Grants	5,242	5,486	244
Total Capital Grant Funding	6,588	8,153	1,565

Note 4.1.6: Contributions - Monetary (\$34k decrease)

The Budget provides for \$1.7m monetary contributions, representing an decrease of \$34k from the 2019-20 forecast. Monetary Contributions comprise 3.3% of total income.

Below is a list of monetary contributions contained in the Budget.

Contributions	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Wind Farm Income	219	371	152
Public Open Space Contributions	140	240	100
Developer Community Contributions	130	200	70
Berrybank Windfarm Contribution - 3 Trails	-	180	180
Bannockburn Kindergarten Income	-	180	180
Gravel Sales	100	102	2
Motor Vehicle Recoupments	95	75	(20)
Family Day Care Administration & Carer Levy	43	63	20
Debt Collection Recoupment	170	60	(110)
Telecommunications Towers Income	42	43	1
Economic Development Strategy 'Contribution	3	43	41
Sale of Waste Bins	32	32	-
Panel Hearing Reimbursement	20	20	-
Contributions for Private Works	10	10	-
Inverleigh Kindergarten Income	10	10	-

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Other	18	8	(10)
Inclusion Support Subsidy	8	8	-
Farmers Market Sponsorship	5	5	-
Standpipe Water Sales	4	5	1
Scrap Metal - Rokewood Transfer Station	5	5	-
Valuation Fee Recoupments	4	4	-
Meredith Kindergarten Income	-	2	2
Auction Revenue - Animal Control	2	2	(1)
Pensioner Claim - Administration Fees	1	1	-
Stock Call Out Recoupments	1	1	-
Barwon Park Bridge Deck Replacement	310	-	(310)
Berrybank-Teesdale Turtle Upgrade	152	-	(152)
Bannockburn Bowls Upgrade	90	-	(90)
Recycling Contribution	81	-	(81)
Bannockburn Lions Club	7	-	(7)
Spring In The Shire Income	2	0	(2)
Monetary Total	1,703	1,669	(34)

Note 4.1.7: Contributions - Non-Monetary (no change)

The Budget provides for \$1.125m non-monetary (assets) contributions, representing 2.2% of total income.

	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Contributions - Non-Monetary			
Subdivisional Assets Handed to Council	1,125	1,125	-
Total Contributions - Non-Monetary	1,125	1,125	-

Note 4.1.8: Net Gain on Disposal of Property, Plant and Equipment

Proceeds from the sale of assets, less their written down value, is disclosed as a net figure in the Income Statement. The details of the net result are detailed in the table below.

	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Proceeds From Sale of Assets	\$'000	\$'000	\$'000
Plant and Machinery	84	286	202
Motor Vehicles	125	228	103
Total Proceeds from Sale of Assets	209	514	305
Written Down Value of Assets Sold			
Plant and Machinery	84	286	202
Motor Vehicles	125	228	103
Total Written Down Value of Assets Sold	209	514	305
Net Gain on Disposal	-	-	-

Note 4.1.9: Other Income (\$49k decrease)

Other income includes interest on investments. Interest on investments has been based on short term deposit rates ranging from 1% to 2%. The budget of \$202k comprises only 0.4% of total income.

Expenditure**Note 4.1.10: Employee Costs (\$974k increase)**

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, WorkCover premiums, long service leave and fringe benefits tax.

Employee costs are budgeted to increase from the 2019-20 forecast by \$974k, or 5.3%, to \$19.34m. This increase includes the annual wage increase under the Enterprise Agreement which was a 1.5% increase in 2020-21 and additional 10 FTE for Working for Victoria funded projects.

The reconciliation below compares budgeted Full Time Equivalent (FTE) employee numbers and employee costs from the 2019-20 budget to the 2020-21 budget.

Reconciliation from 2019-20 Budget

	Forecast	Budget	Change	
	2019-20	2020-21		
	\$'000	\$'000	\$'000	%
Wages and salaries	16,373	17,286	(913)	-6%
WorkCover	300	280	(20)	-7%
Superannuation	1,493	1,524	31	2%
Fringe benefits tax	187	170	(17)	-9%
Other	17	18	1	6%
Total employee costs	18,370	19,344	(974)	-5%

Note 4.1.11: Materials and Services (\$642k decrease)

Materials and Services include the purchase of consumables, payments to contractors for the provision of services, utility costs and one-off operating costs of a capital nature.

Operating materials and services are budgeted to decrease by \$642k, or 4.1% to \$15.2m.

Materials and Services	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Projects and Services	3,263	2,717	(546)
Garbage Operations	2,506	2,756	250
General Maintenance	2,395	2,216	(179)
Community Facility Projects	1,345	1,304	(41)
Contractors and Consultants	1,726	985	(741)
Vehicle and Machinery	918	1,137	218
Building Maintenance	620	649	29
IT Operations	554	684	130
Election Expenses	1	200	199
Other	390	384	(6)
Cleaning	378	378	-
Training	271	330	58

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Utilities	308	303	(6)
Telecommunications	252	265	12
Insurance	247	259	12
Legal Fees	236	239	3
Printing and Stationery	180	181	1
Advertising	163	127	(36)
Gravel Pit Operations	51	51	-
Total Materials and Services	15,805	15,163	(642)

*Other category contains the following corporate memberships

Organisation	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
G21	45	46	1
MAV	23	27	4
Peri-Urban Group of Councils	16	16	0
Central Highlands Councils Victoria	13	13	0
Regional Tourism	11	12	1
Committee for Ballarat	4	4	0
Rural Councils Victoria	3	3	0
LG Pro	1	1	0
Timber Towns	1	1	-
LVGA	-	10	10
Total Corporate Memberships	117	129	16

Note 4.1.12: Bad and Doubtful debts (\$2k decrease)

Allocation of bad and doubtful debts of \$12k mainly relates to community safety program infringements.

Note 4.1.13: Depreciation and Amortisation (\$493k increase)

Depreciation is the systematic allocation of the capital cost of a long-term asset over its useful life. It is an accounting measure that attempts to capture the deterioration or usage of Council's long-term assets over a financial year. Long-term assets include buildings, plant and machinery, furniture and equipment, infrastructure and other structures.

Depreciation by Class of Asset	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Buildings Specialised	789	772	(17)
Buildings Unspecialised	216	316	100
Buildings Heritage	57	57	-
Information Communications Technology	168	284	116
Furniture and Equipment	50	38	(12)
Plant and Machinery	761	869	108
Roads	4,877	5,004	127
Footpaths	166	168	2
Bridges	432	374	(58)
Drainage	122	162	40
Recreation, Leisure & Community	514	579	65
Parks, Open Spaces & Streetscapes	68	78	10
Car Parks	25	25	-
Gravel Pit Rehabilitation	50	62	12
Total Depreciation Expense	8,295	8,788	493

Note 4.1.14: Borrowing Costs (\$181k decrease)

Finance Costs relate to the interest paid on Council borrowings. The ratio of finance costs as a percentage of income indicates that less than 0.8% of income is required to service debt. The decrease of \$181k is primarily the result of refinancing existing loan and lower interest rate for new borrowings required to fund new capital projects.

Note 4.1.15: Other Expenses (\$2k increase)

Increase in other expenses consists of an increase in Audit Fees and Councillor Allowances.

4.2 ANALYSIS OF BALANCE SHEET

This section of the Budget analyses the expected financial position of Council at the end of the 2020-21 financial year.

Note 4.2.1: Current assets (\$613k increase)

- Cash assets increased by \$105k
- Receivables increased by \$482k
- Inventories increased by \$6k
- Other assets increased by \$20k

Note 4.2.2: Non-current assets (\$6.8m increase)

The increase in non-current assets is detailed in the table below, including:

- An increase in property, infrastructure plant and equipment by \$6.86m, comprised of the capital works program (\$15m), less depreciation and amortisation (\$8.8m) and disposal of assets (\$0.5m) plus the receipt of gifted assets (\$1.1m).

Movements in Non-Current Assets

Description	Balance 1 July 2020 \$'000	Additions \$'000	Handed to Council \$'000	WDV of Disposals \$'000	Depreciation \$'000	Balance 30 June 2021 \$'000
Land	31,787	-	-	-	-	31,787
Buildings Specialised	36,305	103	-	-	(772)	35,636
Buildings Unspecialised	3,687	620	-	-	(316)	3,991
Heritage Buildings	913	-	-	-	(57)	856
Parks, Open Spaces etc.	4,158	450	-	-	(78)	4,530
Recreation, Leisure & Community	7,945	1,973	-	-	(579)	9,339
Car Park	1,064	-	-	-	(25)	1,039
Furniture & Equip	107	-	-	-	(38)	69
Plant & Machinery	5,164	825	-	(514)	(869)	4,606
Roads	332,428	7,055	1,125	-	(5,004)	335,604
Bridges	14,854	3,000	-	-	(374)	17,480
Footpaths	11,884	550	-	-	(168)	12,266
Drainage	5,284	100	-	-	(162)	5,222
Information Comm Technology	816	306	-	-	(284)	838
Gravel Pit	364	-	-	-	(62)	302
Land Under Roads	4,336	-	-	-	-	4,336
Invest In Associates	724	-	-	-	-	724
Total	461,820	14,982	1,125	(514)	(8,788)	468,625

Investment in associates represents Council's share of the net equity of the Geelong Regional Library (GRL) which equated to 6.3% in 2018-19. The GRL Board is comprised of seven representatives from four member councils. Golden Plains Shire Council has one representative on the GRL Board.

Note 4.2.3: Current liabilities (\$1.5m increase)

- Current liabilities represent obligations Council must pay within the next year
- The current liability for interest-bearing liabilities as at 30 June 2021 will decrease by \$13k
- The provision for employee benefits as at 30 June 2021 represents Council's liability to pay employees annual leave and long service leave

Note 4.2.4: Non-current liabilities (\$242k decrease)

- Non-current liabilities represent obligations Council must pay beyond the next year
- The non-current liability provision for employment benefits will increase by \$202k. This represents the Council's provision for long service leave (non-current)
- Interest bearing liabilities decrease by \$544k which is the net result of new borrowings and repayments of loans taken out in prior years
- Gravel pit rehabilitation provision decreases by \$100k in line with anticipated works
- The non-current liability for landfill rehabilitation will now be funded over 10 years with an increase in the garbage charge commencing from 2021-22.

4.3 ANALYSIS OF STATEMENT OF CHANGES IN EQUITY**Note 4.3.1: Equity (\$6.2m increase)**

Total equity of \$458m will always equal net assets and is made up of the following components:

- Committed reserves that Council wishes to separately identify as being set aside to meet specific or statutory purpose in the future. These reserves are derived from items such as developer contributions, specific levies and unexpended projects;
- Discretionary reserves are to fund the long term viability of Council. The decisions about future use of any available funds is reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan. The funding of the replacement of long term infrastructure assets generally comes from discretionary funds; which is a component of the accumulated surplus. This is the value of all net assets, less reserves that have accumulated over time.

The total Equity is represented by:

Equity	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance \$'000
Discretionary reserves	2,758	1,465	(1,293)
Committed reserves	2,519	2,058	(461)
Non-current assets less non-current liabilities	446,438	454,377	7,939
Total Equity	451,715	457,900	6,185

Note 4.3.2: Retained Earnings

Retained earnings is the working capital of the Council; in other words, current assets less current liabilities. It comprises the accumulated surpluses and deficits from prior accounting periods.

Retained earnings are comprised of discretionary funds and committed funds. Committed funds include amounts set aside for long service leave, physical/social infrastructure development (developer contributions) and specific levies. As a matter of good financial management, Council only uses discretionary retained earnings to fund one-off capital community partnership projects. Retained earnings are not used to fund operational expenditure.

As at 30 June 2021, Council will have discretionary funds available of \$1.4m and \$2.1m in committed funds.

	Opening Balance 1-Jul-20 \$'000	Net Movements \$'000	Closing Balance 30-Jun-21 \$'000
Discretionary			
General Appropriations	(752)	(1,343)	(2,094)
Bakers Lane	23	-	23
VGC Grant Received in Advance	3,105	50	3,155
Rokewood Pavillion Funds	310	-	310
Communications Tower Funds	71	-	71
Sub-total Discretionary	2,757	(1,293)	1,465
Committed			
Recreational Lands [^]	52	90	142
Developer Contributions	250	20	270
Employee Entitlements (non-current)	787	100	887
Quarry Levy [^]	134	153	287
Waste Management	572	(572)	-
Landfill Rehabilitation	-	472	472
Unexpended Projects	725	(725)	-
Sub-total Committed	2,520	(461)	2,058
Total Retained Earnings	5,277	(1,754)	3,523
Non-Current Assets and Liabilities	446,438	7,939	454,377
Total Equity	451,715	6,185	457,900

[^]All funds received in these reserves are budgeted to be 100% expended in the same year of receipt.

The \$90k resurfacing of tennis courts project was removed from the capital budget as part of the review of the 2020-21 capital budget in response to the current COVID-19 environment to reduce costs where possible. This project was included in the expenditure from the Recreational Lands reserve, however has now been removed, resulting in a movement for 2020-21 of \$90k.

The Waste Management reserve has been fully transferred to the Landfill Rehabilitation reserve as part of the strategy to fund the landfill rehabilitation liability of waste management sites.

4.4 ANALYSIS OF STATEMENT OF CASH FLOWS

This section of the Budget analyses the expected cash flows from the operating, investing and financing activities of Council.

The cash balance at year end is budgeted to increased by \$105k to \$9.6m.

Note 4.4.1: Operating activities (\$15.5m cash inflow)

Operating activities refer to the cash generated or used in the normal service delivery functions of Council and include:

- Receipts from ratepayers of \$24.5m
- Grants of \$19.3m to fund operating expenses and capital works
- User fees \$4.1m
- Contributions and recoupments of \$1.6m
- Payments to employees \$19.3m and
- Payments to suppliers \$15.9m

Reconciliation of Surplus to Net Cash Inflow from Operations

	Forecast 2019-20 \$'000	Budget 2020-21 \$'000
Surplus for Period	4,250	6,186
Depreciation	8,295	8,788
Net Gain on Disposals	0	0
Subdivisions - Roads Handed to Council	(1,125)	(1,125)
Borrowing Costs	537	356
Decrease/(Increase) in Receivables	1,299	(323)
Increase/(Decrease) in Operating Creditors and Provisions	1,284	1,577
Net Cash Inflow from Operations	14,540	15,459

Note 4.4.2: Investing activities (\$14.5m cash outflow)

Investing activities refer to cash used in the purchase, enhancement or creation of property, plant and equipment and infrastructure. These activities also include the sale of non-current assets.

Note 4.4.3: Financing activities (\$887k cash outflow)

Financing activities generally refer to borrowings used in the financing of capital projects and movements in funds held in trust.

The net outflow of \$887k includes the receipt of new borrowings undertaken during the year \$850k, as well as the repayment of the principal component of borrowings \$1.4m and interest expenditure \$356k.

Note 4.4.4: Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part and not fully available for Council's operations. The budgeted cash flow statement indicates that Council is estimating at 30 June 2021 it will have cash and cash equivalents of \$9.6m, which has been restricted as shown in the following table.

	Forecast 2019-20 \$'000	Budget 2020-21 \$'000
Total Cash and Cash Equivalents	9,541	9,646
Restricted cash and investments		
-Statutory Reserves	250	270
-Other committed Reserves	2,269	1,788
Unrestricted Cash and Cash Equivalents	7,022	7,588

Statutory Reserves (\$270k)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes. During the 2019-21 year \$200k is budgeted to be transferred to and \$180k from Statutory Reserves.

Other Committed Reserves (\$1,788k)

These funds are shown as other committed reserves, although not restricted by a statutory requirement, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2020-21 year \$372k is budgeted to be transferred from Committed Reserves. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

Unrestricted Cash and Cash Equivalents (\$7.6m)

It should be noted that \$3.2m relates to Federal Assistance Grant received in advance.

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year, such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments, as and when they fall due, without borrowing further funds.

4.5 ANALYSIS OF STATEMENT OF CAPITAL WORKS

Council's capital works program is broadly categorised into four groups: new assets, capital renewal, capital upgrade and capital expansion.

New assets are assets that did not previously exist prior to 1 July 2020. New assets will result in increased operating costs, maintenance costs and capital renewal in the future.

Capital renewal expenditure reinstates existing assets to original condition. It may reduce future operating and maintenance expenditure if completed at the optimum time.

Capital upgrade expenditure enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally been assigned. Upgrade expenditure is discretionary and increases operating and maintenance expenditure in the future because of the increase in the Council's asset base.

Capital expansion expenditure extends an existing asset to a new group of users. It is discretionary expenditure that increases future operating and maintenance costs because it increases Council's asset base.

Note 4.5.1: Summary major capital works and how they are funded in 2020-21.

	Forecast 2019-20	Budget 2020-21	Change	%
	\$'000	\$'000	\$'000	
Property	10,702	723	(9,979)	-93%
Plant and equipment	1,880	1,029	(851)	-45%
Infrastructure	16,290	13,230	(3,060)	-19%
Total	28,872	14,982	(13,890)	-48%

	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	723	-	723	-	-	-	-	723	-
Plant and equipment	1,029	100	929	-	-	-	-	1,029	-
Infrastructure	13,230	2,250	7,313	3,667	-	8,153	-	5,077	-
Total	14,982	2,350	8,965	3,667	-	8,153	-	6,829	-

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Note 4.5.2: Capital Expenditure Funding Sources

Capital Works Area	Project Cost	Asset expenditure types				Funding sources				
	2020-21									
	\$'000	New	Renewal	Upgrade	Expansion	Grants	Contribution	Council Cash	Retained Earnings	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Building Specialised										
Minor Building Renewal	103	-	103	-	-	-	-	103	-	-
Building Specialised Total	103	-	103	-	-	-	-	103	-	-
Building Unspecialised										
Linton Depot Refurbishment	60	-	60	-	-	-	-	60	-	-
3 Trails Projects (RDV - 500/750)	500	-	500	-	-	500	-	-	-	-
BCSC Portable Reutilisation	60	-	60	-	-	-	-	60	-	-
Building Unspecialised Total	620	-	620	-	-	500	-	120	-	-
Information Communications Technology										
Councillors' Computers	6	-	6	-	-	-	-	6	-	-
Computer Hardware	200	-	200	-	-	-	-	200	-	-
Computer Software	100	100	-	-	-	-	-	100	-	-
Information Communications Technology Total	306	100	206	-	-	-	-	306	-	-

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Capital Works Area	Project Cost	Asset expenditure types				Funding sources				
	2020-21	New	Renewal	Upgrade	Expansion	Grants	Contribution	Council Cash	Retained Earnings	Borrowings
	\$'000									
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure										
Roads										
Local Roads Resealing	900	-	900	-	-	-	-	900	-	-
Local Roads Improvements	500	-	-	500	-	-	-	500	-	-
Gravel Resheeting - Local Roads	600	-	600	-	-	-	-	600	-	-
Local Roads Improvement (Roads to Recovery) - Meredeth-Shelford Road upgrade	1,333	-	-	1,333	-	1,333	-	-	-	-
Fixing Country Roads	1,000	-	1,000	-	-	1,000	-	-	-	-
Shelford - Mt Mercer Road	1,100	-	1,100	-	-	1,100	-	150	-	-
Russells Bridge Road	138	-	138	-	-	138	-	-	-	-
Local Roads & Community Infrastructure Prog	1,334	-	-	1,334	-	1,334	-	-	-	-
Future Road Design	150	150	-	-	-	-	-	150	-	-
Footpaths										
Footpaths & Trails (SRV)	50	50	-	-	-	-	-	50	-	-
Footpaths (TAC - 50/250)	250	-	250	-	-	50	-	200	-	-
Bridges										
Bridge Rehabilitation - Slate Quarry Road	2,300	-	2,300	-	-	1,150	-	1,150	-	-
Bridge Replacement - Geggies Road	700	-	700	-	-	350	-	350	-	-
Drainage										
Drainage Works	100	-	100	-	-	-	-	100	-	-
Kerb & Channel										
Kerb & Channel	250	250	-	-	-	-	-	250	-	-
Infrastructure Total	10,705	450	7,088	3,167	-	6,455	-	4,250	-	-

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Capital Works Area	Project Cost	Asset expenditure types				Funding sources				
	2020-21									
	\$'000	New	Renewal	Upgrade	Expansion	Grants	Contribution	Council Cash	Retained Earnings	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parks, Open Spaces & Streetscapes										
Streetscape Design Work	75	75	-	-	-	-	-	75	-	-
Refurbishment of Playgrounds	150	-	150	-	-	-	-	150	-	-
Open Space Strategy Implementation	45	45	-	-	-	-	-	45	-	-
Cypress Tree replacement program	180	180	-	-	-	-	-	180	-	-
Parks, Open Spaces & Streetscapes Total	450	300	150	-	-	-	-	450	-	-
Recreational, Leisure & Community										
Major Rec Facilities Renewal	75	-	75	-	-	-	-	75	-	-
Environmental Initiatives	50	50	-	-	-	-	-	50	-	-
Bannockburn Heart Stage 2 Design	75	75	-	-	-	-	-	75	-	-
Linton Cricket Nets	102	102	-	-	-	-	-	102	-	-
Inverleigh Sporting Complex Clubroom Upgrade	500	-	-	500	-	-	-	500	-	-
Bannockburn Soccer Club - female friendly changerooms	832	832	-	-	-	832	-	-	-	-
World Games - Soccer (SRV)	366	366	-	-	-	366	-	-	-	-
Future Design Work	75	75	-	-	-	-	-	75	-	-
Recreational, Leisure & Community Total	2,075	1,500	75	500	-	1,198	-	877	-	-

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Capital Works Area	Project Cost 2020-21	Asset expenditure types				Funding sources				
	\$'000	New	Renewal	Upgrade	Expansion	Grants	Contribution	Council Cash	Retained Earnings	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant & Machinery										
Light Plant (fleet vehicles and utes)	428	-	428	-	-	-	-	428	-	-
Heavy Plant	295	-	295	-	-	-	-	295	-	-
Plant & Machinery Total	723	-	723	-	-	-	-	723	-	-
TOTAL	14,982	2,323	8,992	3,667	-	8,153	-	6,829	0	0

Note 4.5.3: New Assets (\$2.3m expenditure)**Infrastructure (\$2.2m expenditure)**

- Future design work \$375k
- Footpaths and trails \$50k
- Kerb & Channel \$250k
- Cypress Tree replacement program \$180k
- Bannockburn Soccer Club - female friendly changerooms \$832k
- World Games – Soccer \$366k
- Linton Cricket Nets \$102k

Other (\$100k expenditure)

- Computer software \$100k

Note 4.5.4: Capital Renewal (\$9m expenditure)**Buildings (\$723k expenditure)**

- Linton Depot refurbishment \$60k
- Minor Building Renewal \$103k
- Rural Development Projects \$500k

Plant and Machinery (\$723k expenditure)

This expenditure of \$723k is consistent with Council's plant and machinery replacement schedule. The major items of plant to be changed are Tipper Trucks, Fleet Vehicles and Utes.

Infrastructure (\$7.3m expenditure)

- The reseal program is budgeted for \$900k; the following page contains detailed information about the planned program for the year
- Gravel re-sheeting on local roads will be funded to an amount of \$600k
- Fixing Country Roads \$1m
- Shelford - Mt Mercer Road \$1.1m
- Russells Bridge Road \$138k
- Bridge Replacement - Slate Quarry road \$2.3m
- Bridge Replacement – Geggies Road \$700k
- Drainage Works \$100k
- Footpaths \$250k
- Refurbishment of Playgrounds \$150k
- Major Rec Facilities Renewal \$75k

Computer hardware (\$206k expenditure)**Note 4.5.5: Capital Upgrade (\$3.6m expenditure)****Infrastructure (\$3.6m expenditure)**

- Local roads improvements \$1.8m
- Inverleigh Sporting Complex Clubroom Upgrade \$500k
- Local roads and community infrastructure \$1.3m

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Reseal Program

Capital Renewal includes the following road reseal projects totalling \$0.9m.

Seg_ID_no.	Road Name	Datum	From Desc.	To Desc.	Length	Width	Area
985	Tall Tree Road (Final Seal)	Meredith-Shelford Road	Meredith-Shelford Rd	Seal Change	5621	7	39347
943	Linton-Mannibadar Road	Glenelg Hwy	Glenelg Hwy	Seal Change	600	3.5	2100
948	Linton-Mannibadar Road	Glenelg Hwy	Seal Change	Change	1300	6	7800
1159	Pitfield-Cressy Road	Rokewood-Skipton Rd	Rokewood-Skipton Rd	Change	60	7	420
1161	Pitfield-Cressy Road	Rokewood-Skipton Rd	Change	Change	2646	7	18522
1162	Pitfield-Cressy Road	Rokewood-Skipton Rd	Change	Change	5014	7	35098
1167	Pitfield-Cressy Road	Rokewood-Skipton Rd	Change	Change	850	7	5950
1168	Pitfield-Cressy Road	Rokewood-Skipton Rd	Change	Gilletts Rd	1388	7	9716
1170	Pitfield-Cressy Road	Rokewood-Skipton Rd	Gilletts Rd	Change	1822	7	12754
1171	Pitfield-Cressy Road	Rokewood-Skipton Rd	Change	Wilgul Werneth	1110	7	7770
1172	Pitfield-Cressy Road	Rokewood-Skipton Rd	Wilgul Werneth	Seal Change near Bridge	2247	7	15729
1081	Meredith-Mt Mercer Road	Railway Crossing	Railway Crossing	Seal Change	1800	6.5	11700
1078	Meredith-Mt Mercer Road	Railway Crossing	Dean Rd	Change	1037	6.5	6740.5
1076	Meredith-Mt Mercer Road	Railway Crossing	Seal Change/Bridge	Change	315	7	2205
1075	Meredith-Mt Mercer Road	Railway Crossing	Change	Change	441	7	3087
1070	Meredith-Mt Mercer Road	Railway Crossing	Seal Change at Dip	Cameron Rd	1022	7	7154
1066	Meredith-Mt Mercer Road	Railway Crossing	Cameron Rd	11.91 Nolan	1207	7	8449
1065	Meredith-Mt Mercer Road	Railway Crossing	11.91 Nolan	Change	403	7	2821
1100	Meredith-Mt Mercer Road	Railway Crossing	Start of Seal	Seal Change	500	4	2000
1100	Meredith-Mt Mercer Road	Railway Crossing	Start of Seal	Seal Change	500	6	3000
1100	Meredith-Mt Mercer Road	Railway Crossing	Start of Seal	Seal Change	512	5.5	2816
2614	Meredith-Steiglitz Road	Taylors Rd	7.47 Eclipse Rd	Seal Change	1007	6.5	6545.5
2623	Staughton Street East	Midland Hwy	Midland Hwy	100km Sign	480	6.5	3120
3148	Staughton Street East	Midland Hwy	100km Sign	Taylors Rd	392	6.5	2548
Total							

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Road Improvements Program

Improvements program totals \$0.5m.

Road Name	Locality	From Chainage	To Chainage	Distance	Description	Hierarchy
Brislane Road/Harvey Road	Murgheboluc	NA	NA	NA	Upgrade currnet Y intersection Brislane Road/Harvey Road to a standard T intersection	Collector Road - Rural
Thompson Road	Maude	2900	4570	1670	Shoulder widening from Seal Change to Hargreaves Road	Collector Road - Rural
Total						

Local Roads Re-Sheeting

Re-sheeting program totals \$0.6m.

Road Name	Locality	From Chainage	To Chainage	Distance	Description	Hierarchy
Geggies Road	Rokewood	0	6000	6000	Geggies Road to Chainage	Local Access Road - Rural
Glassons Road	Cambrian Hill	0	500	500	Colac Ballarat Road to End	Local Access Road - Rural
Scanlons Road	Bannockburn	0	3905	3905	McPhillips Road to End	Local Access Road - Rural
Tantaus Road	Dereel	1430	3010	1580	End of Seal to Snowgum Road	Local Access Road - Rural
Bedggoods Lane	Cambrian Hill	0	680	680	Colac Ballarat Road to Heinz Road	Local Access Road - Rural
Gilberts Road	Napoleons	0	470	470	Hovey Road to End	Local Access Road - Rural
Mooney Court	Smythesdale	0	330	330	Glenelg Hwy to End	Local Access Road - Rural
Hardies Hill Road	Garibaldi	5030	6317	1287	Grenville Drive to Grenville Drive	Local Access Road - Rural
Total						

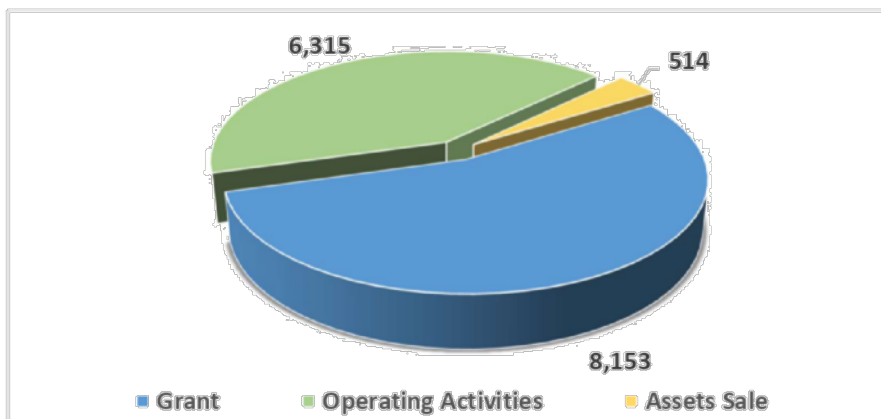
Footpaths and Trails

Footpaths and trails include walking paths constructed of concrete or asphalt. New Assets includes the following Footpath and Trails projects totalling \$0.25m.

Priority	Township	Location	Length	Description
1	Bannockburn	Clyde Road (Shelford-Bannockburn Road to Lowndes)	780m	Upgrade gravel path to 1.5m wide concrete path along west side of Clyde Road
2	Haddon	Sago Hill Road (Infront of Memorial)	230m	Rehabilitation of gravel footpath
3	Cape Clear	Pitfield Scarsdale Road (Outside School)	410m	Rehabilitation of gravel footpath
4	Inverleigh	Common Road (Hamilton Hwy to Faulkner Road)	1,300	Rehabilitation of gravel footpath
5	Linton	Adair Street (School to Clyde Street)	150m	Restore asphalt footpath along Adair Street
Total				

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Note 4.5.6: Capital Expenditure Funding Sources \$'000**Note 4.5.7: Capital Grants**

In order for Council to deliver its capital works program, it relies on funding received from State and Federal Governments. Following is a list of all grants included in the Budget. Some, but not all, of these grants have been confirmed by funding agencies.

Grants for Capital Works	2019-20 Forecast \$'000	2020-21 Budget \$'000	Variance
Local Roads and Community Infrastructure Program	-	1,334	1,334
Roads to Recovery	1,346	1,333	(13)
Black Spot Program	-	1,238	1,238
Slate Quarry Rd - Bridge Renewal	-	1,150	1,150
Fix In Country Road	2,033	1,000	(1,033)
Bannockburn Soccer (Female friendly change rooms)	-	832	832
RDV 3 Trails	-	500	500
World Game (Bannockburn) Funding	25	366	341
Geggies Rd - Bridge Replace	-	350	350
TAC Footpath	100	50	(50)
Bannockburn Heart	1,290	-	(1,290)
Inverleigh Sporting Complex Upgrade	500	-	(500)
Wall Bridge Renewal	304	-	(304)
Coopers Bridge Replacement	300	-	(300)
Teesdale Turtle Bend Upgrade	222	-	(222)
Haddon Stadium Floor Replacement	220	-	(220)
Lethbridge Junior Football Club Lighting Project	100	-	(100)
Bus Shelters	38	-	(38)
Bannockburn Rec Precinct Shade Sail	27	-	(27)
Bannockburn Bowls Upgrade	25	-	(25)
Inverleigh Netball Courts Upgrade	25	-	(25)
Oval Lighting Upgrade	17	-	(17)
SRV-Minors-Bannockburn Victoria Park Court Upgrade	10	-	(10)
Bannockburn Heart Active Rec (SRV)	7	-	(7)
Total Grants	6,588	8,153	1,565

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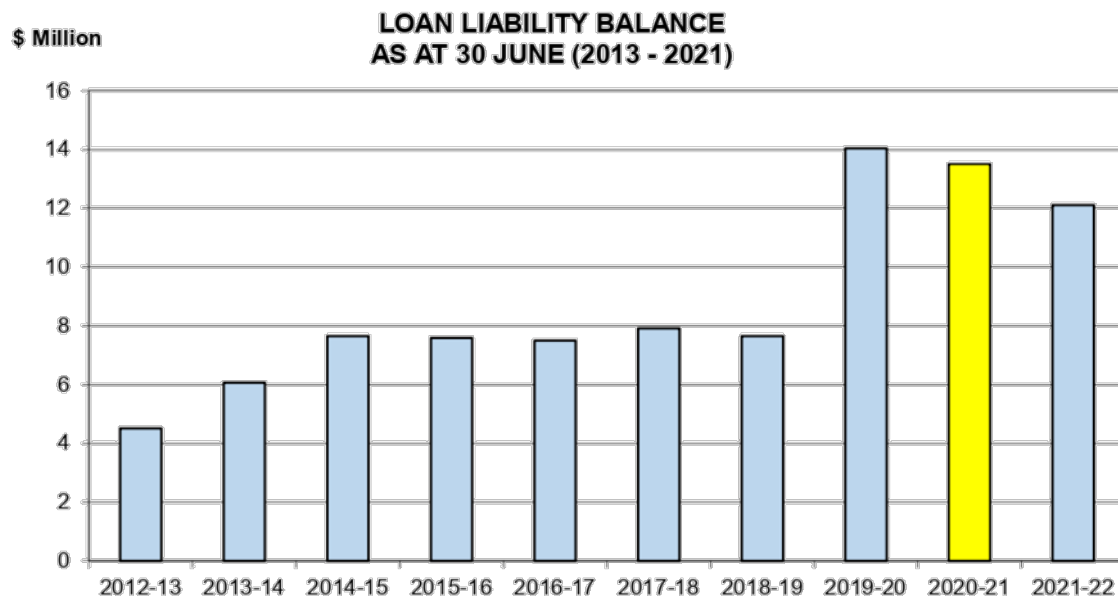
Proceeds from the Sale of Non-Current Assets

Proceeds from the sale of non-current assets totals \$514k and includes the trade-in of motor vehicles and plant items.

4.6 BORROWINGS

The budgeted loan liability of \$13.5m at 30 June 2021 represents 55% of rates and charges, which is a decrease from 59% in 2019-20. These borrowings remain consistent with sound financial management principles. Borrowings allow Council to spread the financing cost of new facilities over a number of years, thereby eliminating the burden on ratepayers in any one year.

The new loan of \$850k relates to the BCSC Restructuring Loan for 2020-21.



	2019-20	2020-21
	\$'000	\$'000
Total amount borrowed as at 30 June of the prior year	7,646	14,031
Total amount to be borrowed	9,500	850
Total amount projected to be redeemed	(3,115)	(1,381)
Total amount proposed to be borrowed as at 30 June	14,031	13,500

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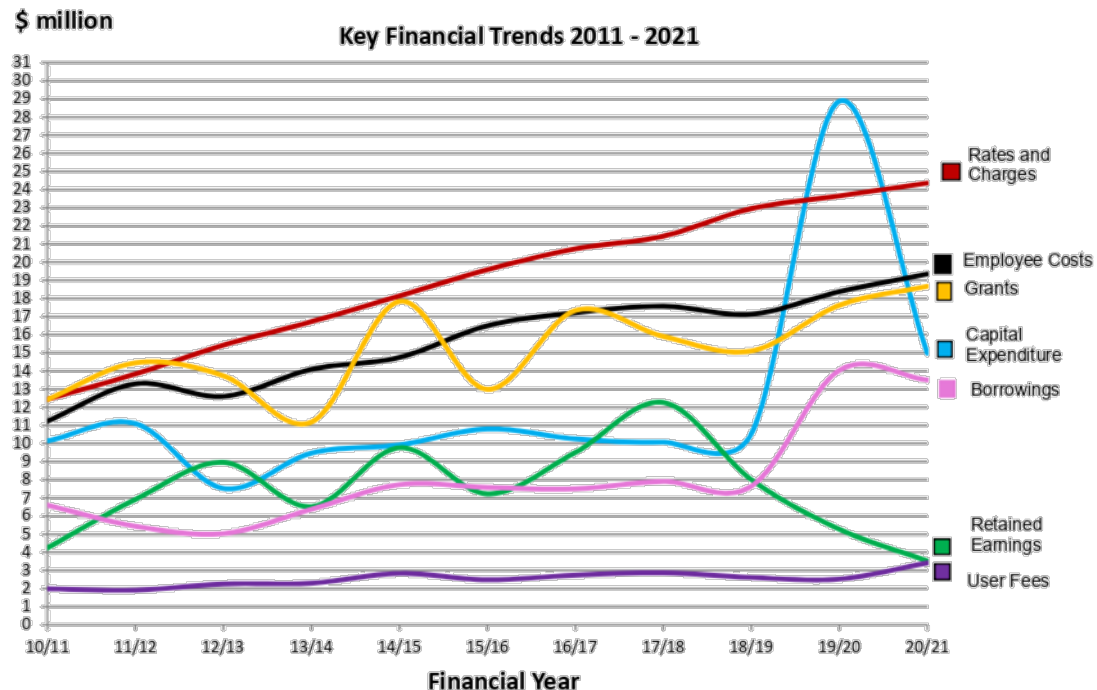
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Borrowing Schedule

Loan No.	Loan Purpose	Lender	Draw-down	Loan Term	Interest Rate	Opening Balance	New Loans	Debt Redeemed	Closing Balance
				Years	%	\$'000	\$'000	\$'000	\$'000
1	Bannockburn Rec Precinct Development	LGFV (NAB)	Nov-19	10	2.38	1,337	-	(127)	1,210
2	Bannockburn Rec Precinct Development	NAB	Dec-10	10	7.74	49	-	(49)	-
3	Parkers Road Bridge, etc.	NAB	Dec-11	10	6.65	98	-	(64)	34
5	LASF DB Plan Contribution	LGFV (NAB)	Nov-19	10	2.38	841	-	(80)	761
6	Haddon Rec Upgrade	LGFV (NAB)	Nov-19	10	2.38	72	-	(7)	65
7	GP Food Production Precinct	LGFV (NAB)	Nov-19	10	2.38	663	-	(63)	600
8	Somerset Estate & The Well	LGFV (NAB)	Nov-19	10	2.38	430	-	(41)	389
9	Bannockburn Heart	LGFV (NAB)	Jun-16	10	3.97	150	-	-	150
10	Woody Yaloak Equestrian	LGFV (CBA)	Mar-17	10	1.35	90	-	-	90
11	Smythesdale Sports Oval	LGFV (CBA)	Mar-17	10	1.35	150	-	-	150
12	BSCS Redevelopment	LGFV (CBA)	Mar-18	10	1.35	500	-	-	500
13	World Game - Bannockburn Soccer Pitch	LGFV (CBA)	Mar-18	10	1.35	150	-	-	150
14	BCSC Restructuring Loan	To be determined	Aug-20	10	1.88	-	850	-	850
15	GPS community & Civic Centre	To be determined	Jun-20	10	1.88	5,000	-	(500)	4,500
16	GPS community & Civic Centre	To be determined	Jun-20	10	1.88	4,500	-	(450)	4,050
Total 2020-21						14,031	850	(1,381)	13,500

*LGFV – The Local Government Funding Vehicle is a project the MAV has undertaken on behalf of all Victorian Councils. It is expected to provide significant savings to the sector by raising funds via the Bond market. The maximum LGFV loan term is 10 years. Loans are rolled over until reaching the loan term in the above schedule. Council utilises the LGFV facility when loans are on offer, as the availability is dependant on the level of demand within Victorian Councils.

4.7 KEY FINANCIAL TRENDS 2011-2021



Analysis of Trends

There are a number of interesting trends that are reflected in the above graph.

Capital Expenditure / Grants

Historically, Council's capital expenditure is closely correlated with grant revenue.

Rates and Charges / Grants

Council first identified the need to reduce its reliance on grant revenue and improve its rates and charges in 2005. The above graph demonstrates the result of this decision. Revenue from rates and charges are now at a more 'financially sustainable' level, given the level of growth in grants has generally reduced.

Rates and Charges / Employee Costs

The substantial growth in service delivery demands in recent years coupled with the need to broaden Council's rate base is reflected in the steady incline shown on the graph.

Retained Earnings / Borrowings

As retained earnings have been utilised over recent years to deliver various capital projects, borrowings have increased to fund the major capital works projects being delivered.

5 LONG-TERM STRATEGIES

5.1 STRATEGIC RESOURCE PLAN (SRP)

Council's Strategic Resource Plan is an integral component of the Council Plan. It establishes the financial targets necessary for Council to fund its strategies over a four year period. As stated in the Budget overview, the Budget has been framed within the parameters established in Council's Strategic Resource Plan.

The Act requires a SRP to be prepared, describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared a SRP for the four years 2020-21 to 2023-2024 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

In the Strategic Resource Plan, Council is mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Local Government Act:

- Manage financial risks faced by the Council prudently, having regard to economic circumstances
- Pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden
- Ensure that decisions are made and actions are taken having regard to their financial effects on future generations
- Ensure full, accurate and timely disclosure of financial information relating to the Council

The key financial objectives which underpin the Strategic Resource Plan are:

- Ensure long-term financial sustainability
- Deliver services in a cost-effective and efficient manner
- Ensure incomes are sustainable and consider community-wide and individual benefits (rates versus user charges and adherence to Council's Rating Strategy)
- Use debt finance where appropriate and within responsible limits
- Maintain cash reserves and operating surpluses at appropriate levels
- Identify and quantify long-term liabilities
- Meet social equity objectives through specific programs
- Manage the Shire's capital assets to maximise long-term community benefit
- Recognise that funding from State and Federal Government is a crucial element of financial sustainability
- Manage Council's retained earnings prudently

The Strategic Resource Plan has been substantially reviewed with a number of assumptions challenged and revised. Some of the more notable changes include:

- The need to significantly increase the amount of money being directed to the renewal of Council assets
- Reduction in the amount of cash being held in reserves
- Increase in the amount of non-rate income from land development opportunities and increased wind farm income in future years
- Reduction in capital grant funding on the basis that we will limit the amount of new construction
- Removal of future borrowings for sport and recreation projects
- Targeted staff increases in areas associated with programmed maintenance and renewal

Departing from Council's Strategic Resource Plan would send the wrong message to stakeholders including governments, ratepayers and future Councils. Council needs to adhere to the Strategic Resource Plan to ensure the long-term financial health of the organisation. The Strategic Resource Plan places Council on a sound financial footing into the foreseeable future.

5.2 FINANCIAL PERFORMANCE INDICATORS

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Measure	Note	Forecast 2019-20	Budget 2020-21	SRP Projections			Trend
Efficiency					2021-22	2022-23	2023-24	+ / o / -
Expenditure level	Total expenditure / no. of assessments		\$3,845	\$3,884	\$3,764	\$3,809	\$3,905	o
Revenue level	Residential rate revenue / No. of residential assessments		\$2,038	\$2,088	\$2,143	\$2,189	\$2,224	+
Workforce turnover	No. of resignations & terminations / average no. of staff		13.9%	13.9%	13.9%	13.9%	13.9%	o
Liquidity								
Working Capital	Current assets / current liabilities	1	154.2%	136.8%	194.4%	204.8%	210.4%	+
Unrestricted cash	Unrestricted cash / current liabilities		111.5%	95.5%	143.6%	154.4%	160.2%	o
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	2	59.3%	55.4%	48.2%	50.4%	42.6%	+
Loans and borrowings	Interest and principal repayments / rate revenue	3	17.7%	7.1%	6.4%	1.2%	6.8%	+
Indebtedness	Non-current liabilities / own source revenue		59.3%	60.6%	47.1%	48.0%	38.2%	+
Asset renewal	Asset renewal expenditure / depreciation	4	68.9%	102.3%	56.5%	79.7%	52.9%	-
Operating position								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	5	-6.4%	-4.2%	0.5%	0.1%	1.2%	+
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	6	58.1%	57.7%	59.6%	60.5%	60.1%	o
Rates effort	Rate revenue / property values (CIV)		0.4%	0.4%	0.4%	0.5%	0.5%	o

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

NOTES TO INDICATORS

1 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to remain at sustainable levels during the period of the Council Plan

2 Loans and Borrowings compared to rates – This ratio is forecast to remain at similar levels from 2019/20 due to loans required to deliver the Golden Plains Community and Civic Centre redevelopment forecast to be taken up in 2019-20. This ratio re-aligns back to previous levels in 2019/20 and future years.

3 Interest and Principal Repayments compared to rates – This ratio reflects scheduled loan repayments as described in the Borrowing Schedule in Section 4.6.

4 Asset renewal - This percentage indicates the extent of Council renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

5 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives.

6 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. The current ratio indicates that Council's reliance on government funding has diminished and this balance is expected to remain steady over the term of the Council Plan. It will be very difficult to improve this ratio within a rate capping environment.

5.3 NON-FINANCIAL RESOURCES

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. A summary of Council's anticipated human resource requirements for the 2020-21 year is shown below and further detail is included in Note 3.6 of this Budget.

Indicator	Forecast	Budget	SRP Projections		
	2019-20	2020-21	2021-22	2022-23	2023-24
Employee Costs ('000)					
- Operating	18,370	19,344	19,257	19,893	20,547
- Capital	-	-	-	-	-
Total	18,370	19,344	19,257	19,893	20,547
Employee Numbers (FTE)	198	208	200	202	204

5.4 RATING INFORMATION

This section contains information on Council's past and foreshadowed rating levels, along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

Rating context

Rates and charges are an important source of revenue, accounting for 53% of income received by Council. Planning for future rate increases is therefore an important component of the Strategic Resource Planning process.

In 2005, it was identified that Council's low level of rate income was becoming unsustainable and that Council had to make a conscious decision to improve its financial position. To ensure this action did not have a detrimental impact on Council services, it was important to increase the unsustainably low rate base and to decrease Council's reliance on government funding.

Golden Plains Shire also faced, and continues to face, the following challenges:

- High population growth
- Increased demand for new services
- A history of significant dependence on grants, contributions and recoupments
- Substantial challenges associated with provision and renewal of roads, paths, and community and recreation facilities

- Supporting community based Committees of Management that currently manage the vast majority of community and recreation facilities on Council and Crown land
- Council's Rate Concentration is budgeted to be 59.7%, which has historically been 5-6% less than similar large rural shires. The current rate capping framework will not enable Council to improve this indicator without applying for a variation.
- Managing the competing interests of rural and urban communities and
- Maintaining the extensive road network of over 1,800 km

The following table demonstrates the effort Council has made in 2020-21 to maintain its rate base at a sustainable level, reducing Council's reliance on government funding.

Average Rates and Charges per residential assessment

Year	Average Residential Rate Revenue / Assessment \$	Percentage Increase %	Rate Concentration	
			Budget %	Victoria Councils Average %
2003-04	584	9.40	29	44
2012-13	1,402	7.36	51	58
2013-14	1,523	8.64	46	60
2014-15	1,629	6.92	48	64
2015-16	1,740	6.80	45	60
2016-17	1,801	3.50	55	64
2017-18	1,858	3.10	50	55
2018-19	1,981	6.60	58	63
2019-20	2,038	2.92	60	60
2020-21*	2,076	1.87	60	60

Note: Figures from 2015-16 onward, are calculated using the Local Government Performance Reporting data and relate to residential properties only. The table includes the garbage charge which can increase more than the rate cap as garbage charges are based on a cost recovery methodology.

The level of required rates and charges are considered in context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Golden Plains community. Golden Plains Shire Council still remains very successful in obtaining government funding to minimise the burden on its ratepayers, while remaining a progressive and developing shire.

Current Year Rates and Charges

The following table sets out historic and future proposed increases in revenue from rates and charges and total rates to be raised, based on the forecast financial position as at 30 June 2019. There is an increase of \$5 in the 2020-21 annual garbage charge being the increase in landfill levy prescribed by the State Government effective from 1 January 2021.

Year	General Rate and Municipal Charge Increase %	Garbage Charge %	Total Rates and Charges Raised '000
2015-16	6.23	(4.8)	19,435
2016-17	2.32	3.57	20,427
2017-18	2.00	2.2	21,315
2018-19	2.25	31.0	22,903
2019-20	2.50	0	23,649